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Hearing Date and Time: 10/22/08 at 10:00 a.m.  
Objection Deadline: 10/17/08 at 4:30 p.m.

-and-

Tyler P. Brown (admitted *pro hac vice*)  
Michael G. Wilson (admitted *pro hac vice*)  
Thomas N. Jamerson (admitted *pro hac vice*)  
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*Attorneys for Debtors and Debtors-in-Possession*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:

U.S. ENERGY SYSTEMS, INC., *et al.*,

Debtors.<sup>1</sup>

} Chapter 11

} Case No. 08-10054 (RDD)

} (Jointly Administered)

**SUMMARY SHEET ACCOMPANYING THE SECOND INTERIM  
APPLICATION OF HUNTON & WILLIAMS LLP, COUNSEL TO THE DEBTORS  
AND DEBTORS-IN-POSSESSION, FOR AN AWARD OF COMPENSATION FOR  
PROFESSIONAL SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES  
INCURRED DURING THE PERIOD OF MAY 1, 2008 THROUGH AUGUST 31, 2008**

<sup>1</sup> The other Debtors are the following: U.S. Energy Overseas Investments, LLC and GBGH, LLC.

Name of Applicant:	Hunton & Williams LLP
Authorized to Provide Professional Services to:	U.S. Energy Systems, Inc.
Date of Order Authorizing Employment:	January 31, 2008
Period for Which Compensation and Reimbursement is Sought:	May 1, 2008 through August 31, 2008
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$150,560.50
Amount of Compensation Previously Sought in the First Interim Application as Actual, Reasonable and Necessary:	\$601,390.25
Amount of Compensation Previously Allowed in the First Interim Application as Actual, Reasonable and Necessary:	\$601,390.25
Amount of Compensation Previously Paid Pursuant to the First Interim Application as Actual, Reasonable and Necessary:	\$0
Amount of Expense Reimbursement Previously Sought in the First Interim Application as Actual, Reasonable and Necessary:	\$31,700.90
Amount of Expense Reimbursement Previously Allowed in the First Interim Application as Actual, Reasonable and Necessary:	\$31,700.90
Amount of Expense Reimbursement Previously Paid Pursuant to the First Interim Application as Actual, Reasonable and Necessary:	\$0
Amount of Expense Reimbursement Sought as Actual and Necessary:	\$3,578.72
Total Hours Billed:	312.20 Hours

Name of Applicant:	Hunton & Williams LLP
Authorized to Provide Professional Services to:	GBGH, LLC
Date of Order Authorizing Employment:	January 31, 2008
Period for Which Compensation and Reimbursement is Sought:	May 1, 2008 through August 31, 2008
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$219,311.50
Amount of Compensation Previously Sought in the First Interim Application as Actual, Reasonable and Necessary:	\$560,689.35
Amount of Compensation Previously Allowed in the First Interim Application as Actual, Reasonable and Necessary:	\$560,689.35
Amount of Compensation Previously Paid Pursuant to the First Interim Application as Actual, Reasonable and Necessary:	\$324,651.60
Amount of Expense Reimbursement Previously Sought in the First Interim Application as Actual, Reasonable and Necessary:	\$17,620.20
Amount of Expense Reimbursement Previously Allowed in the First Interim Application as Actual, Reasonable and Necessary:	\$17,620.20
Amount of Expense Reimbursement Previously Paid Pursuant to the First Interim Application as Actual, Reasonable and Necessary:	\$9,361.68
Amount of Expense Reimbursement Requested as Actual and Necessary:	\$3,926.53
Total Hours Billed:	414.60 Hours

This is an X interim \_ final application

**A. U.S. Energy Systems, Inc.**

**Monthly Fee Statements During the Second Compensation Period:<sup>2</sup>**

<b>Time Period</b>	<b>Fees</b>	<b>Expenses</b>	<b>Status</b>
May 1, 2008 through May 31, 2008	\$30,193.50	\$777.54	Paid 0% of fees and 0% of expenses
June 1, 2008 through June 31, 2008	\$37,413.00	\$1,468.34	Paid 0% of fees and 0% of expenses
July 1, 2008 through July 31, 2008	\$37,405.50	\$383.94	Paid 0% of fees and 0% of expenses
August 1, 2008 through August 31, 2008	\$45,673.50	\$1,045.15	Paid 0% of fees and 0% of expenses
<b>TOTAL</b>	<b>\$150,685.50</b>	<b>\$3,674.97</b>	

**B. GBGH, LLC**

**Monthly Fee Statements During the Second Compensation Period:**

<b>Time Period</b>	<b>Fees</b>	<b>Expenses</b>	<b>Status</b>
May 1, 2008 through May 31, 2008	\$69,514.50	\$777.49	Paid 0% of fees and 0% of expenses
June 1, 2008 through June 31, 2008	\$65,731.00	\$1,468.02	Paid 0% of fees and 0% of expenses
July 1, 2008 through July 31, 2008	\$34,785.00	\$383.81	Paid 0% of fees and 0% of expenses
August 1, 2008 through August 31, 2008	\$52,893.50	\$1,393.46	Paid 0% of fees and 0% of expenses
<b>TOTAL</b>	<b>\$222,924.00</b>	<b>\$4,022.78</b>	

<sup>2</sup> The Monthly Fee Statements inadvertently requested payment of the non-working travel time of Hunton's professionals at their respective normal hourly rates and sought reimbursement for secretarial overtime. This second interim fee application requests the payment of the non-working travel time of Hunton's professionals at one half of their respective normal hourly rates and does not seek reimbursement for secretarial overtime.

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:

U.S. ENERGY SYSTEMS, INC., *et al.*,

Debtors.<sup>1</sup>

} Chapter 11

} Case No. 08-10054 (RDD)

} (Jointly Administered)

**SECOND INTERIM APPLICATION OF HUNTON & WILLIAMS LLP,  
COUNSEL TO THE DEBTORS AND DEBTORS-IN-POSSESSION,  
FOR AN AWARD OF COMPENSATION FOR PROFESSIONAL SERVICES  
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED  
DURING THE PERIOD OF MAY 1, 2008 THROUGH AUGUST 31, 2008**

<sup>1</sup> The other Debtors are the following: U.S. Energy Overseas Investments, LLC and GBGH, LLC.

TO: THE HONORABLE ROBERT D. DRAIN,  
UNITED STATES BANKRUPTCY JUDGE:

Hunton & Williams LLP (“H&W” or “Hunton”), counsel to the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) in these cases, hereby submits this application (the “Application”) for an order, (A)(i) allowing interim compensation in the amount of \$150,560.50 for actual, reasonable and necessary legal services rendered by Hunton to Debtor U.S. Energy Systems, Inc. (“USEY”) during the period of time from May 1, 2008 through August 31, 2008 (the “Second Compensation Period”), (ii) reimbursing actual and necessary expenses that H&W incurred in connection therewith in the amount of \$3,578.72, and (iii) authorizing and directing USEY to pay H&W (to the extent previously not paid pursuant to the Interim Compensation Order) the sum of \$154,139.22 (comprised of 100% of H&W’s fees requested herein for services rendered to USEY and 100% of H&W’s expenses requested herein that were incurred in connection with the rendering of services to USEY); and (B)(i) allowing interim compensation in the amount of \$219,311.50 for actual, reasonable and necessary legal services rendered by H&W to Debtor GBGH, LLC (“GBGH”) during the Second Compensation Period, (ii) reimbursing actual and necessary expenses that H&W incurred in connection therewith in the amount of \$3,926.53 and (iii) authorizing and directing GBGH to pay H&W (to the extent previously not paid pursuant to the Interim Compensation Order) the sum of \$223,238.03 (comprised of 100% of H&W’s fees requested herein for services rendered to GBGH and 100% of H&W’s expenses requested herein that were incurred in connection with the rendering of services to GBGH). In support of this Application, Hunton respectfully represents as follows:

## **I. Jurisdiction, Venue and Predicates for Relief**

1. The Court has jurisdiction over this Application pursuant to 28 U.S.C. § 1334 and the *Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York*, dated July 10, 1984 (Ward, Acting C.J.). Venue of these cases and the Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. The predicates for the relief requested herein are (a) sections 328, 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), (b) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (c) Rule 2016-1 of the Local Rules (the “Local Rules”) for the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court” or the “Court”), (d) the *Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases* adopted by the Bankruptcy Court on June 24, 1991 and amended on April 19, 1995 (the “Local Guidelines”), (e) the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330* effective January 30, 1996 (the “U.S. Trustee Guidelines,” and with the Local Guidelines, the “Guidelines”), and (f) the *Order Establishing Procedures for Interim Compensation and Reimbursement of Professionals* [Docket No. 74] (the “Interim Compensation Order”).

## **II. Factual Background**

### **A. The Debtors’ Chapter 11 Cases**

3. On January 9, 2008 (the “Petition Date”), each of the Debtors filed with the Bankruptcy Court their respective voluntary petitions for relief under chapter 11 of the Bankruptcy Code, commencing the above-captioned chapter 11 cases. By an order [Docket No. 21] entered on January 11, 2008, the Debtors’ chapter 11 cases have been procedurally

consolidated and are being jointly administered by this Court. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. No trustee, examiner or official committee has been appointed in these cases.

5. On January 24, 2008, the Debtors timely filed their schedules of assets and liabilities and statements of financial affairs.

6. On February 25, 2008, the Court entered an order [Docket No. 98] (the “Settlement Order”) authorizing the settlement between the Debtors and Nakash Energy, LLC of, among other things, the ongoing corporate governance litigation by and among them in this Court and the Court of Chancery of the State of Delaware.

7. On May 7, 2008, the Court entered an order [Docket No. 159] establishing bar dates for the filing of proofs of claim and approving the form and manner of notice thereof. Approximately one hundred and forty (140) proofs of claim have been filed in these chapter 11 cases asserting claims against the Debtors. Approximately one hundred (100) proofs of claim have been disallowed and expunged pursuant to orders [Docket Nos. 242-244] entered by the Court.

8. On June 24, 2008, the Debtors filed the *First Interim Application of Hunton & Williams LLP, Counsel to the Debtors and Debtors-In-Possession, for an Award of Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred During the Period of January 9, 2008 Through April 30, 2008* [Docket No. 181] (the “First Interim Fee Application”). On August 19, 2008, this Court entered an order [Docket No. 230] (the “August 13 Order”) granting the relief requested in the First Interim Fee Application. Pursuant to the August 13 Order, Hunton’s requested fees of \$601,390.25 were allowed against



USEY and Hunton's requested fees of \$560,689.35 were allowed against GBGH, and Hunton's requested expenses of \$31,700.90 were allowed against USEY and Hunton's requested expenses of \$17,620.20 were allowed against GBGH.

9. On July 22, 2008, the Court entered an order [Docket No. 208], extending (i) the exclusive period during which only the Debtors may propose and file a plan or plans of reorganization through and including August 22, 2008, and (ii) the exclusive period during which only the Debtors may solicit acceptances of such plan or plans of reorganization through and including October 21, 2008.

10. On August 22, 2008, Debtor USEY and Debtor U.S. Energy Overseas Investments, LLC filed the *Joint Liquidating Plan of Reorganization for U.S. Energy Systems, Inc. and U.S. Energy Overseas Investments, LLC* [Docket No. 232].

11. On August 22, 2008, Debtor GBGH, LLC ("GBGH") filed the *Plan of Reorganization for GBGH, LLC* [Docket No. 233].

**B. Retention of Hunton & Williams LLP**

12. On January 10, 2008, the Debtors filed the *Application of the Debtors and Debtors-in-Possession for Entry of an Order Authorizing the Employment and Retention of Hunton & Williams LLP as Counsel to the Debtors Nunc Pro Tunc to the Petition Date* [Docket No. 18] (the "Retention Application"). On January 31, 2008, this Court entered the *Order Authorizing the Employment and Retention of Hunton & Williams LLP as Counsel to the Debtors Nunc Pro Tunc to the Petition Date* [Docket No. 67] (the "Retention Order").

13. The terms of Hunton's retention and employment are set forth in the Retention Application and were approved by the Court in the Retention Order. Hunton charges legal fees on an hourly basis at rates that are based on the seniority and expertise of Hunton's professionals

and paraprofessionals. Hunton also charges for actual and necessary out-of-pocket expenses including but not limited to copying, long distance telephone calls, travel, out-going facsimile, overnight mail, computer research and other disbursements.

14. Pursuant to paragraph 3 of the Retention Order, “professional fees and, to the extent practicable, disbursements [are to] be reasonably allocated to and paid by the Debtor that actually incurred such fees and expenses.” Retention Order, ¶ 3.

### **III. Compliance With Guidelines and the Interim Compensation Order Governing Applications for Compensation and Reimbursement of Expenses**

15. This Application has been prepared in accordance with the Guidelines and the Interim Compensation Order. A certification regarding compliance with the Guidelines and the Interim Compensation Order is attached hereto as **Exhibit L**.

16. On February 4, 2008, the Bankruptcy Court entered the Interim Compensation Order. The Interim Compensation Order authorizes H&W and other retained professionals to serve the Debtors and each notice party identified in the Interim Compensation Order with a monthly fee statement (the “Monthly Fee Statement”). After the expiration of a fifteen (15) day objection period, if no objections are filed, the Debtors are authorized and required to pay eighty percent (80%) of the requested fees and one hundred percent (100%) of the requested expenses. During the Second Compensation Period, H&W served the following Monthly Fee Statements:

- a) On July 1, 2008, pursuant to the Interim Compensation Order, H&W served its Monthly Fee Statement for the period from May 1, 2008 through May 31, 2008 (the “May Monthly Fee Statement”). Through the May Monthly Fee Statement, H&W sought (a) allowance of \$30,193.50 as compensation for services rendered to USEY and reimbursement of \$777.54 in expenses charged to USEY, and (b) allowance of \$69,514.50 as compensation for services rendered to GBGH and reimbursement of \$777.49 in expenses charged to GBGH. As of the date hereof, H&W has received payment of none of the fees and expenses requested pursuant to the May Monthly Fee Statement. A true and complete copy of the May Monthly Fee Statement is attached hereto as **Exhibit A**.

- b) On July 31, 2008, pursuant to the Interim Compensation Order, H&W served its Monthly Fee Statement for the period of June 1, 2008 through June 30, 2008 (the "June Monthly Fee Statement"). Through the June Monthly Fee Statement, H&W sought (a) allowance of \$37,413.00 as compensation for services rendered to USEY and reimbursement of \$1,468.34 in expenses charged to USEY, and (b) allowance of \$65,731.00 as compensation for services rendered to GBGH and reimbursement of \$1,468.02 in expenses charged to GBGH. As of the date hereof, H&W has received payment of none of the fees and expenses requested pursuant to the June Monthly Fee Statement. A true and complete copy of the June Monthly Fee Statement is attached hereto as **Exhibit B**.
- c) On September 8, 2008, pursuant to the Interim Compensation Order, H&W served its Monthly Fee Statement for the period of July 1, 2008 through July 31, 2008 (the "July Monthly Fee Statement"). Through the July Monthly Fee Statement, H&W sought (a) allowance of \$37,405.50 as compensation for services rendered to USEY and reimbursement of \$383.94 in expenses charged to USEY, and (b) allowance of \$34,785.00 as compensation for services rendered to GBGH and reimbursement of \$383.81 in expenses charged to GBGH. As of the date hereof, H&W has received payment of none of the fees and expenses requested pursuant to the July Monthly Fee Statement. A true and complete copy of the July Monthly Fee Statement is attached hereto as **Exhibit C**.
- d) On September 23, 2008, pursuant to the Interim Compensation Order, H&W served its Monthly Fee Statement for the period of August 1, 2008 through August 31, 2008 (the "August Monthly Fee Statement"). Through the August Monthly Fee Statement, H&W sought (a) allowance of \$45,673.50 as compensation for services rendered to USEY and reimbursement of \$1,045.15 in expenses charged to USEY, and (b) allowance of \$52,893.50 as compensation for services rendered to GBGH and reimbursement of \$1,393.46 in expenses charged to GBGH. As of the date hereof, H&W has received payment of none of the fees and expenses requested pursuant to the August Monthly Fee Statement. A true and complete copy of the August Monthly Fee Statement is attached hereto as **Exhibit D**.<sup>2</sup>

17. Hunton prepared and served the Monthly Fee Statements in accordance with the Guidelines and the Interim Compensation Order. As of the date of this Application, none of the

<sup>2</sup>

Copies of the Monthly Fee Statements are being provided to the Debtors, counsel to the administrative agents for the prepetition lenders, the United States Trustee for the Southern District of New York and the Court. Parties in interest that are required to be served with the Monthly Fee Statements have been previously served with such Monthly Fee Statements. Copies of the Monthly Fee Statements are not being electronically filed with the Court because of their voluminous nature and will be made available to other parties in interest upon reasonable written request.

Notice Parties (as defined in the Interim Compensation Order) have objected to the Monthly Fee Statements.

18. To the extent that any time or charges for services rendered or disbursements incurred during the Second Compensation Period were not processed prior to the preparation of this Application and, therefore, are not included in this Application, H&W reserves the right to request additional compensation for such services and reimbursement of such expenses in a future application.

#### **IV. Request for Compensation and Reimbursement**

19. This Application is the second interim fee application filed by Hunton for its capacity as bankruptcy counsel to the Debtors in these cases and the Application covers the interim period of May 1, 2008 through and including August 31, 2008. All services for which compensation is requested by Hunton were performed for, or on behalf of, the Debtors' and their estates.

20. By this Application, Hunton hereby seeks interim allowance of compensation for professional services rendered to USEY during the Second Compensation Period in the aggregate amount of \$150,560.50 and reimbursement of expenses incurred in connection with such services in the aggregate amount of \$3,578.72. During the Second Compensation Period, Hunton's attorneys and paraprofessionals expended a total of 312.20 hours for which compensation is requested from USEY.

21. By this Application, Hunton hereby seeks interim allowance of compensation for professional services rendered to GBGH during the Second Compensation Period in the aggregate amount of \$219,311.50 and reimbursement of expenses incurred in connection with such services in the aggregate amount of \$3,926.53. During the Second Compensation Period,

Hunton's attorneys and paraprofessionals expended a total of 414.60 hours for which compensation is requested from GBGH.

22. Schedules setting forth the number of hours expended by each of the partners, counsels, associates and paraprofessionals of H&W who rendered services to USEY and GBGH during the Second Compensation Period, their respective hourly rates and the year of the first bar admission for each H&W attorney are attached hereto as **Exhibits E** and **F**, respectively.

23. **Exhibits E** and **F** identify two normal hourly rates for two of Hunton's professionals. During the Second Compensation Period, Enid Veron changed residence from Hunton's office in Washington, D.C. to Hunton's office in New York City, and Ferdinand Calice changed residence from Hunton's office in New York City office to Hunton's office in London, England. In accordance with Hunton's established billing practices, Enid Veron's and Ferdinand Calice's normal hourly rates were adjusted to reflect the change in residence.

24. Pursuant to the UST Guidelines, schedules setting forth a description of the project categories utilized in USEY's chapter 11 case and GBGH's chapter 11 case and the aggregate fees associated with each project category are attached hereto as **Exhibits G** and **H**, respectively. Schedules setting forth the categories of expenses for which H&W is seeking reimbursement from USEY and GBGH and the total amount of each such expense category for each Debtor are attached hereto as **Exhibits I** and **J**, respectively.

25. As more fully described below, Hunton has rendered professional services on behalf of the Debtors in furtherance of its role as bankruptcy counsel to the Debtors. As the Court can observe, Hunton has successfully endeavored to keep its fees and expenses to a minimum relative to the nature and complexity of the Debtors' cases in order to help preserve the assets of these estates.

26. Consistent with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules, Hunton has received no payment and no promises of payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these cases, other than compensation previously approved and allowed by order of this Court. In addition, there is no agreement or understanding between Hunton and any other person other than members of Hunton for the sharing of compensation to be received for services rendered to the Debtors in these cases.

**V. Summary of Services Rendered During the Second Compensation Period**

27. During the Second Compensation Period, Hunton provided professional services to the Debtors in accordance with section 327(a) of the Bankruptcy Code. For the purpose of seeking interim compensation for the services rendered to the Debtors, Hunton's attorneys and paraprofessionals have allocated their time entries into categories. Each time entry is identified in Hunton's time records as relating to a particular category. Hunton has made a diligent effort to place each time entry into the most appropriate service category, although in a number of instances particular time entries may not fit neatly into a single category. A complete description of the services performed by Hunton's attorneys and paraprofessionals on a task-by-task basis is set forth in the Monthly Fee Statements that are attached hereto as **Exhibits A-D**.

28. The following descriptions identify the categories of services Hunton's attorneys and paraprofessionals provided to USEY during the Second Compensation Period:

- a. Case Administration (B110): This category includes a multitude of tasks performed in the administration of USEY's chapter 11 case, including filing pleadings with the Court, attending to administrative and general case management issues, preparing agenda letters, maintaining a case calendar and reviewing dockets.

- b. Asset Analysis and Recovery (B120): This category includes the review and analysis of USEY's assets, including lien issues.
- c. Asset Disposition (B130): This category includes the review and analysis of possible sales of USEY's assets.
- d. Fee/Employment Applications (B160): This category includes drafting fee applications, attending a hearings on the first interim fee applications, drafting supplemental Bankruptcy Rule 2014 disclosure declarations, and drafting Monthly Fee Statements.
- e. Fee/Employment Objections (B170): This category includes responding to and resolving the United States Trustee's inquiries with respect to Hunton's first interim application.
- f. Other Contested Matters (B190): This category involves representing and advising USEY in connection with its disputes with Asher E. Fogel.
- g. Non-Working Travel (B195): This category involves non-working travel time necessitated by the representation of USEY.
- h. Board of Directors Matters (B260): This category includes advising the USEY Board of Directors in connection with the bankruptcy cases.
- i. Claims Administrations and Objections (B310): This category includes reviewing proofs of claim filed against USEY, researching and drafting three objections seeking the disallowance and expungement of certain proofs of claim, and attending a hearing on such claims objections.
- j. Plan and Disclosure Statements (B320): This category includes advising USEY regarding possible plans, researching issues related to the possible plans, and drafting a plan.

- k. Restructuring (B420): This category includes advising USEY on certain issues regarding the restructuring of its businesses and financial structure.

29. The following descriptions identify the categories of services Hunton's attorneys and paraprofessionals provided to GBGH during the Second Compensation Period:

- a. Case Administration (B110): This category includes a multitude of tasks performed in the administration of GBGH's chapter 11 case, including filing pleadings with the Court, attending to administrative and general case management issues, preparing agenda letters, maintaining a case calendar and reviewing dockets.
- b. Asset Analysis and Recovery (B120): This category includes the review and analysis of GBGH's assets, including lien issues.
- c. Asset Disposition (B130): This category includes the review and analysis of possible sales of GBGH's assets.
- e. Fee/Employment Applications (B160): This category includes drafting fee applications, attending a hearings on the interim fee applications, drafting supplemental Bankruptcy Rule 2014 disclosure declarations, and drafting Monthly Fee Statements.
- f. Fee/Employment Objections (B170): This category includes responding to and resolving the United States Trustee's inquiries with respect to Hunton's first interim fee application.
- g. Other Contested Matters (Excluding Assumption/Rejection) (B190): This category involves representing and advising GBGH in connection with its disputes with Asher E. Fogel
- h. Non-Working Travel (B195): This category includes non-working travel time necessitated by the representation of GBGH.



- i. Financing/Cash Collections (B230). This category includes participation in numerous telephonic conferences regarding the Debtor's proposed use of cash collateral motion, and negotiating and drafting the proposed orders and the budget.
- l. Board of Directors Matters (B260): This category includes advising the GBGH Board of Directors in connection with the bankruptcy filings.
- m. Claims Administrations and Objections (B310): This category includes an analysis of the proofs of claim filed against GBGH.
- n. Plan and Disclosure Statements (B320): This category includes advising GBGH regarding possible plans, researching issues related to the possible plans and drafting a plan of reorganization for GBGH.
- o. Restructuring (B420): This category includes advising GBGH on certain issues regarding the restructuring of its businesses and financial structure.

## **VI. The Requested Compensation Should be Allowed**

30. The allowance of interim compensation for services rendered and reimbursement of expenses incurred in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

[A] debtor's attorney, or any professional person . . . may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered . . . or reimbursement for expenses incurred . . . as is provided under section 330 of this title.

11 U.S.C. § 331.

31. Section 330(a)(1) of the Bankruptcy Code provides that the Court may award a professional person employed under section 327 or 1103 of the Bankruptcy Code:

- (A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, ombudsman, professional person, or attorney and by any paraprofessional person employed by any such person; and

(B) reimbursement for actual, necessary expenses.

11 U.S.C. § 330(a)(1)(A)-(B). Section 330(a)(3) further provides the following standards for the Court's review of a fee application:

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 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(a)(3)(A) - (F).

32. The Second Circuit, in evaluating the reasonableness of a requested fee, has adopted the twelve-factor test of *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974), which includes factors such as the time and labor involved; the novelty and difficulty of the questions; the skills requisite to perform the legal service properly; the fee customarily charged in the locality; the amount involved and the results obtained; experience, reputation and ability of the attorneys; and awards in similar cases. *See United States Football League v. Nat'l Football League*, 887 F.2d 408, 425 (2d Cir. 1989) (awarding attorney's fees in connection with an antitrust suit); *see also In re Drexel Burnham Lambert Group, Inc.*, 133 B.R. 13, 21-22

(Bankr. S.D.N.Y. 1991) (“In determining the ‘reasonableness’ of the requested compensation under § 330, Bankruptcy Courts now utilize the ‘lodestar’ method”). The reasonableness of a compensation request is determined by taking into account the nature, extent and value of the services provided by the professional and the cost of comparable services. *See Colbert v. Furumoto Realty, Inc.*, 144 F. Supp. 2d 251, 260 (S.D.N.Y. 2001).

33. Congress intended that bankruptcy attorneys be compensated at market rates for comparable services in non-bankruptcy cases. *See In re Ames Dept. Stores, Inc.*, 76 F.3d 66, 71 (2d Cir. 1996), *overruled in part on other grounds, Lamie v. United States Trustee*, 540 U.S. 526 (2004); *see also In re Drexel Burnham Lambert Group, Inc.*, 133 B.R. at 22. The policy of Bankruptcy Code section 330 is to ensure that qualified attorneys will “not be deterred from taking bankruptcy cases due to a failure to pay adequate compensation.” *In re Ames Dept. Stores, Inc.*, 76 F.3d at 72.

34. The Court’s determination of the reasonableness of the services provided should be done in an “objective manner, based upon what services a reasonable lawyer or legal firm would have performed . . . .” *In re Ames Dept. Stores, Inc.*, 76 F.3d at 72; *see also In re Drexel Burnham Lambert Group, Inc.*, 133 B.R. at 23 (“[T]he appropriate perspective for determining the necessity of the activity should be prospective: hours for an activity or project should be disallowed *only* where a Court is convinced it is readily apparent that no reasonable attorney should undertake that activity or project or where the time devoted was excessive”) (emphasis added). Moreover, in passing upon the reasonableness of hours expended, courts should be mindful of the “practical judgments, often with severe time constraints [professionals make] on matters of staffing, assignments, coverage of hearings and meetings, and a wide variety of

similar matters.” *In re Drexel Burnham Lambert Group, Inc.*, 133 B.R. at 23. These judgments are presumed to be made in good faith. *See id.*

35. Hunton respectfully submits that it has satisfied the requirements for the allowance of the compensation and the reimbursement of the expenses sought herein. Hunton respectfully submits that the services described above and as are set forth with particularity in **Exhibits A-D** were, at the time rendered, believed necessary for, beneficial to, and in the best interests of the Debtors and parties in interest. Hunton further submits that the compensation requested herein is reasonable in light of the nature, extent and value of the services to the Debtors. Furthermore, the compensation sought by Hunton is reasonable because it is based on the customary compensation charged by comparably skilled practitioners outside of bankruptcy. In sum, the services rendered by Hunton were necessary and beneficial to the Debtors, and were consistently performed in a timely manner commensurate with the complexity, importance, and nature of the issues involved, and approval of the compensation requested herein is warranted.

36. Hunton’s attorneys and paraprofessionals have devoted 312.20 hours of time advising and representing USEY and 414.60 hours of time advising and representing GBGH during the Second Compensation Period. The rates charged by Hunton are consistent with the customary hourly rates charged to clients both inside and outside of the bankruptcy context. Hunton represents and would demonstrate that the hourly rates charged by Hunton are comparable to the rates charged by other large law firms in the New York market, when taking into account the skill and expertise required in the performance of similar services rendered by other experienced bankruptcy counsel and other professionals in matters of this type. The hourly rates for the individual attorneys and paraprofessionals listed in this Application are consistent with the normal and customary rates charged to clients involved in this size and type of case, and

Hunton submits that those rates and fees are similar to those charged for like services performed by other firms of a size and expertise comparable to that of Hunton.

37. The time and attention Hunton professionals have devoted to these cases likely could have been spent in the representation of other clients at similar or higher hourly rates. Hunton expected at the onset of this engagement to be compensated in accordance with the hourly rates set forth herein, subject to approval of its fees and expenses by this Court.

## **VII. Disbursements**

38. Section 330(a)(1)(B) of the Bankruptcy Code authorizes “reimbursement for actual, necessary expenses” incurred by professionals employed in these chapter 11 cases. 11 U.S.C. § 330(a)(1)(B). Hunton only seeks reimbursement for actual costs incurred in-house and by third-party vendors. Accordingly, as set forth in **Exhibits I and J** annexed hereto, Hunton seeks reimbursement of expenses incurred in rendering services to the Debtors during the Second Compensation Period.

## **VIII. Notice**

39. In accordance with the Interim Compensation Order, notice of this Application has been provided to (i) the Office of the United States Trustee for the Southern District of New York, (ii) the attorneys for the administrative agents for the Debtors’ prepetition secured lenders, (iii) the Debtors, (iv) the Debtors’ known unsecured creditors, and (v) all parties that have filed a notice of appearance or have requested service in these chapter 11 cases. A copy of this Application has been provided to (i) the Office of the United States Trustee for the Southern District of New York, (ii) the attorneys for the administrative agents for the Debtors’ prepetition secured lenders, and (iii) the Debtors.

**IX. No Prior Request**

40. Hunton has not made a prior request to this or any other Court for payment of fees and reimbursement of expenses for the Second Compensation Period.

**X. Conclusion**

WHEREFORE, Hunton respectfully requests that the Court enter an order, substantially in the form attached hereto as **Exhibit K** (i) allowing compensation for professional services rendered to USEY in the amount of \$150,560.50 for the Second Compensation Period, (ii) allowing interim reimbursement of expenses charged to USEY in the amount of \$3,578.72 for the Second Compensation Period, (iii) authorizing and directing USEY to pay Hunton the sum of \$154,139.22 (comprised of 100% of Hunton's fees with respect to USEY as requested in this Application and 100% of Hunton's expenses with respect to USEY as requested in this Application), (iv) allowing compensation for professional services rendered to GBGH in the amount of \$219,311.50 for the Second Compensation Period, (v) allowing interim reimbursement of expenses charged to GBGH in the amount of \$3,926.53 for the Second Compensation Period, (vi) authorizing and directing GBGH to pay Hunton the sum of \$223,238.03 (comprised of 100% of Hunton's fees with respect to GBGH as requested in the Application and 100% of Hunton's expenses with respect to GBGH as requested in this Application), and (vii) granting such other and further relief as this Court may deem necessary and appropriate.

*[Remainder of Page Intentionally Left Blank]*

Dated: October 1, 2008

Respetfully submitted,

HUNTON & WILLIAMS LLP

/s/ Scott H. Bernstein

Peter S. Partee

Richard P. Norton

Scott H. Bernstein

200 Park Avenue, 53rd Floor

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(212) 309-1000

-and-

Tyler P. Brown (admitted *pro hac vice*)

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(804) 788-8200

*Attorneys for Debtors and Debtors-in-Possession*

**EXHIBITS A THROUGH D**

**THE MONTHLY FEE STATEMENTS ARE NOT BEING ELECTRONICALLY FILED.**

**THE MONTHLY FEE STATEMENTS WILL BE PROVIDED TO  
OTHER PARTIES IN INTEREST UPON REASONABLE WRITTEN REQUEST.**



**EXHIBIT E****TIMEKEEPER SUMMARY FOR DEBTOR U.S. ENERGY SYSTEMS, INC.**

<b>TIMEKEEPER</b>	<b>RATE</b>	<b>HOURS</b>	<b>VALUE</b>
NADIA S. BURGARD Partner, Capital Finance and Real Estate, 1991	750.00	2.20	1,650.00
FERDINAND A. CALICE Partner, Energy & Project Finance, 1998	750.00	1.10	825.00
FERDINAND A. CALICE Partner, Energy & Project Finance, 1998	810.00	0.80	648.00
AUDREY C. LOUISON Partner, Energy & Project Finance, 1994	550.00	1.30	715.00
PETER S. PARTEE Partner, Bankruptcy, Financial Restructuring and Creditors' Rights, 1992	775.00	45.80	35,495.00
JOHN M. RATINO Partner, Capital Finance & Real Estate, 1984	680.00	1.00	680.00
ENID L. VERON Partner, Energy & Project Finance, 1979	810.00	6.10	4,941.00
ENID L. VERON Partner, Energy & Project Finance, 1979	880.00	11.30	9,944.00
MICHAEL G. WILSON Partner, Bankruptcy, Financial Restructuring and Creditors' Rights, 2000	480.00	21.50	10,320.00

SCOTT H. BERNSTEIN Associate, Bankruptcy, Financial Restructuring and Creditors' Rights, 2002  (Non-Working Travel)	250.00	2.80	700.00
SCOTT H. BERNSTEIN Associate, Bankruptcy, Financial Restructuring and Creditors' Rights, 2002	500.00	112.30	56,150.00
THOMAS N. JAMERSON Associate, Bankruptcy, Financial Restructuring and Creditors' Rights, 2003	325.00	47.50	15,437.50
KENNETH L. WESTNEDGE, JR. Associate, Capital Finance & Real Estate, 2003	385.00	1.30	500.50
JOHN R. HEIN Summer Associate	225.00	13.60	3,060.00
CONSTANCE ANDONIAN Paralegal	225.00	21.10	4,747.50
RAYMOND E. GALBRAITH Paralegal	210.00	2.50	525.00
JEFFERSON JAMES Paralegal	80.00	1.00	80.00
ELEANOR L.E KAPUSTIN Paralegal	245.00	13.90	3,405.50
MATTHEW A. LAMBERT Paralegal	125.00	1.00	125.00
PIETER L. MUL Paralegal	135.00	3.00	405.00
BRADFORD C. MULDER Paralegal	240.00	0.60	144.00

DEBORAH A. TOTARAM Paralegal	125.00	0.50	62.50
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**EXHIBIT F**  
**TIMEKEEPER SUMMARY FOR DEBTOR GBGH, LLC**

<b>TIMEKEEPER</b>	<b>RATE</b>	<b>HOURS</b>	<b>VALUE</b>
NADIA ST. GEORGE BURGARD Partner, Capital Finance and Real Estate, 1991	750.00	2.00	1,500.00
FERDINAND A. CALICE Partner, Energy & Project Finance, 1998	750.00	1.50	1,125.00
ROGER JOHN DYER Partner, Capital Finance and Real Estate, 1980	859.00	2.60	2,233.40
RAUL GRABLE Partner, Energy & Project Finance, 1980	850.00	7.00	5,950.00
PETER S. PARTEE Partner, Bankruptcy, Financial Restructuring and Creditors' Rights, 1992  (Non-Working Travel)	387.50	9.00	3,487.50
PETER S. PARTEE Partner, Bankruptcy, Financial Restructuring and Creditors' Rights, 1992	775.00	91.70	71,067.50
ENID L. VERON Partner, Energy & Project Finance, 1979	810.00	15.10	12,875.00
MICHAEL G. WILSON Partner, Bankruptcy, Financial Restructuring and Creditors' Rights, 2000	480.00	4.00	1,920.00
ELISABETH BLUNSDON Counsel, Energy & Project Finance, 1995	781.00	1.50	1,171.50

RICHARD P. NORTON Counsel, Bankruptcy, Financial Restructuring and Creditors' Rights, 1999	670.00	2.70	1,809.00
SCOTT H. BERNSTEIN Associate, Bankruptcy, Financial Restructuring and Creditors' Rights, 2002  (Non-Working Travel)	250.00	2.80	700.00
SCOTT H. BERNSTEIN Associate, Bankruptcy, Financial Restructuring and Creditors' Rights, 2002	500.00	165.90	82,950.00
NATALIE ROSE CUNDALE Associate, Energy & Project Finance, Not Yet Admitted	330.00	13.50	4,455.00
THOMAS NEAL JAMERSON Associate, Bankruptcy, Financial Restructuring and Creditors' Rights, 2003	325.00	46.50	15,112.50
HENRY POLLARD LONG, III Associate, Bankruptcy, Financial Restructuring and Creditors' Rights, 2007	255.00	3.90	994.50
JOHN FREDERICK O'DRISCOLL Associate, Bankruptcy, Financial Restructuring and Creditors' Rights, 2005	477.00	7.80	3,720.60
ALISA M. VAN COTT Associate, Energy & Project Finance, 2003	385.00	0.40	154.00
JOHN R. HEIN Summer Associate	225.00	13.60	3,060.00
CONSTANCE ANDONIAN Paralegal	225.00	18.80	4,230.00

RAYMOND E. GALBRAITH Paralegal	210.00	2.50	525.00
MATTHEW ALAN LAMBERT Paralegal	125.00	0.90	112.50
BRADFORD C. MULDER Paralegal	240.00	0.40	96.00
DEBORAH A. TOTARAM Paralegal	125.00	0.50	62.50

**EXHIBIT G****COMPENSATION BY PROJECT CATEGORY  
FOR DEBTOR U.S. ENERGY SYSTEMS, INC.**

<b>CATEGORY</b>	<b>CODE</b>	<b>HOURS</b>	<b>VALUE</b>
CASE ADMINISTRATION	B110	30.30	7,740.00
ASSET ANALYSIS AND RECOVERY	B120	13.80	7,667.00
ASSET DISPOSITION	B130	37.70	21,170.50
MEETINGS OF AND COMMUNICATIONS WITH CREDITORS	B150	0.10	50.00
FEE/EMPLOYMENT APPLICATIONS	B160	60.50	24,262.00
FEE/EMPLOYMENT OBJECTIONS	B170	14.00	5,382.50
ASSUMPTION/REJECTION OF LEASES AND CONTRACTS	B185	0.10	50.00
OTHER CONTESTED MATTERS (EXCLUDING ASSUMPTION/REJECTION)	B190	10.80	5,812.50
NON-WORKING TRAVEL	B195	2.80	700.00
TAX ISSUES	B240	0.20	100.00
BOARD OF DIRECTORS MATTERS	B260	0.40	200.00
CLAIMS ADMINISTRATION AND OBJECTIONS	B310	40.10	19,835.00
PLAN AND DISCLOSURE STATEMENT	B320	91.50	50,266.50
RESTRUCTURINGS	B420	9.90	7,324.50
<b>TOTAL</b>		<b>312.20</b>	<b>150,560.50</b>

## EXHIBIT H

### COMPENSATION BY PROJECT CATEGORY FOR DEBTOR GBGH, LLC

DESCRIPTION	CODE	HOURS	VALUE
CASE ADMINISTRATION	B110	23.30	5,781.00
ASSET ANALYSIS AND RECOVERY	B120	37.60	10,007.00
ASSET DISPOSITION	B130	4.00	3,296.50
FEE/EMPLOYMENT APPLICATIONS	B160	60.20	24,292.50
FEE/EMPLOYMENT OBJECTIONS	B170	14.20	5,492.50
OTHER CONTESTED MATTERS (EXCLUDING ASSUMPTION/REJECTION)	B190	0.40	200.00
NON-WORKING TRAVEL	B195	11.80	4,187.50
FINANCING/CASH COLLECTIONS	B230	14.50	8,177.00
TAX ISSUES	B240	0.20	100.00
BOARD OF DIRECTORS MATTERS	B260	3.30	2,625.00
CLAIMS ADMINISTRATION AND OBJECTIONS	B310	11.00	5,237.50
PLAN AND DISCLOSURE STATEMENT	B320	218.60	131,509.00
RESTRUCTURINGS	B420	15.50	10,406.00
<b>Totals</b>		<b>414.60</b>	<b>219,311.50</b>



**EXHIBIT I**

**SCHEDULE OF DISBURSEMENTS  
FOR DEBTOR U.S. ENERGY SYSTEMS, INC.**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
E101	Copying	992.55
E105	Telephone	5.12
E106	Online research	1,682.80
E107	Delivery services/messengers	126.79
E108	Postage	29.27
E109	Local travel	388.47
E110	Out-of-Town Travel	47.18
E111	Meals	186.48
E112	Court Fees	16.50
E119	Experts	81.68
E124- 0008	Other-Miscellaneous	21.88
<b>TOTAL</b>	<b>EXPENSES ( \$ )</b>	<b>3,578.72</b>

**EXHIBIT J**

**SCHEDULE OF DISBURSEMENTS FOR DEBTOR GBGH, LLC**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
E101	Copying	992.55
E105	Telephone	4.76
E106	Online research	2,135.71
E107	Delivery services/messengers	126.69
E108	Postage	29.21
E109	Local travel	293.08
E110	Out-of-Town Travel	47.17
E111	Meals	177.31
E112	Court Fees	16.50
E119	Experts	81.67
E124- 0008	Other-Miscellaneous	21.88
<b>TOTAL</b>	<b>EXPENSES ( \$ )</b>	<b>3,926.53</b>

**EXHIBIT K**

**PROPOSED ORDER**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:

U.S. ENERGY SYSTEMS, INC., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 08-10054 (RDD)

(Jointly Administered)

**ORDER GRANTING SECOND INTERIM APPLICATION OF  
HUNTON & WILLIAMS LLP, COUNSEL TO THE DEBTORS AND DEBTORS-IN-  
POSSESSION, FOR AN AWARD OF COMPENSATION FOR PROFESSIONAL  
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED  
DURING THE PERIOD OF MAY 1, 2008 THROUGH AUGUST 31, 2008**

Upon consideration of the interim application of Hunton & Williams LLP (“Hunton”), counsel to the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), for allowance of compensation and reimbursement of expenses incurred during the period of May 1, 2008 through August 31, 2008 (the Application”);<sup>2</sup> and a hearing (the “Hearing”) having been held before this Court to consider the Application; and notice of the Application and the Hearing having been given pursuant to the Interim Compensation Order to the Office of the United States Trustee for the Southern District of New York, counsel to the administrative agents for the pre-petition secured lenders and all parties who filed a notice of appearance or a request for notices pursuant to Bankruptcy Rule 2002 as of the day prior to the service of the Application; and the Court being satisfied that no other or further notice of the Application and the Hearing need be provided; and the Court having determined it has jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. § 1334 and the *Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for*

<sup>1</sup> The other Debtors are the following: U.S. Energy Overseas Investments, LLC and GBGH, LLC.

<sup>2</sup> Unless otherwise defined herein, all capitalized terms have the meanings ascribed to them in the Application.

*the Southern District of New York*, dated July 10, 1984 (Ward, Acting C.J.); and the Court having determined that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having determined that venue of these cases and the Application are proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due consideration having been given to the responses, if any, to the Application; and due consideration having been given to the statements of counsel at the Hearing; and the Court having determined that compensation requested in the Application is fair and reasonable given: (a) the complexity of these chapter 11 cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of the services, and (e) the costs of comparable services other than in a case under Title 11 of the United States Code; and good and sufficient cause having been shown thereof,

IT IS HEREBY ORDERED THAT:

1. The Application is **GRANTED** to the extent set forth in the attached Appendix 1 pursuant to Bankruptcy Code sections 330 and 331.
2. The Debtors are authorized and directed to pay the amounts awarded as detailed in the attached Appendix 1.
3. The Court shall retain jurisdiction over any and all disputes arising or otherwise relating to the interpretation, performance, and enforcement of the terms and provisions of this Order.

Dated: New York, New York  
October \_\_\_, 2008

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THE HONORABLE ROBERT D. DRAIN  
UNITED STATES BANKRUPTCY JUDGE

## Appendix 1

**Case Number: 08-10054**

**Case Name: In re U.S. Energy, Inc.**

<b>Applicant</b>	<b>Date/Docket No. of Application</b>	<b>Period Covered</b>	<b>Amount of Fees Incurred During Period</b>	<b>Amount of Fees Approved</b>	<b>Amount of Fees Paid to Date</b>	<b>Total Fees Allowed and Payable by USEY (to the extent not already paid)</b>
Hunton & Williams LLP	October __, 2008	5/1/2008 - 8/31/2008	\$150,560.50	\$150,560.50	\$0.00	\$150,560.50
			<b>Amount of Expenses Incurred During Period</b>	<b>Amount of Expenses Approved</b>	<b>Amount of Expenses Reimbursed to Date</b>	<b>Total Expenses Allowed and Payable by USEY (to the extent not already paid)</b>
			\$3,578.72	\$3,578.72	\$0.00	\$3,578.72

**Case Number: 08-10056**

**Case Name: In re GBGH, LLC**

<b>Applicant</b>	<b>Date/Docket No. of Application</b>	<b>Period Covered</b>	<b>Amount of Fees Incurred During Period</b>	<b>Amount of Fees Approved</b>	<b>Amount of Fees Paid to Date</b>	<b>Total Fees Allowed and Payable by GBGH (to the extent not already paid)</b>
Hunton & Williams LLP	October __, 2008	5/1/2008 - 8/31/2008	\$219,311.50	\$219,311.50	\$0.00	\$219,311.50
			<b>Amount of Expenses Incurred During Period</b>	<b>Amount of Expenses Approved</b>	<b>Amount of Expenses Reimbursed to Date</b>	<b>Total Expenses Allowed and Payable by GBGH (to the extent not already paid)</b>
			\$3,926.53	\$3,926.53	\$0.00	\$3,926.53

DATE: October \_\_, 2008      INITIALS: \_\_\_\_ USBJ

**EXHIBIT L**

Peter S. Partee  
Richard P. Norton  
Scott H. Bernstein  
HUNTON & WILLIAMS LLP  
200 Park Avenue, 53<sup>rd</sup> Floor  
New York, New York 10166-0136  
(212) 309-1000

-and-

Tyler P. Brown (admitted *pro hac vice*)  
Michael G. Wilson (admitted *pro hac vice*)  
Thomas N. Jamerson (admitted *pro hac vice*)  
HUNTON & WILLIAMS LLP  
Riverfront Plaza, East Tower  
951 East Byrd Street  
Richmond, Virginia 23219-4074  
(804) 788-8200

*Attorneys for Debtors and Debtors-in-Possession*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:

U.S. ENERGY SYSTEMS, INC., *et al.*,

Debtors.<sup>1</sup>

} Chapter 11

} Case No. 08-10054 (RDD)

} (Jointly Administered)

**CERTIFICATION OF PETER S. PARTEE UNDER GUIDELINES FOR  
FEES AND DISBURSEMENTS FOR PROFESSIONALS IN RESPECT OF THE  
APPLICATION OF HUNTON & WILLIAMS LLP, COUNSEL TO THE DEBTORS  
AND DEBTORS-IN-POSSESSION, FOR AN AWARD OF COMPENSATION FOR  
PROFESSIONAL SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES  
INCURRED DURING THE PERIOD OF MAY 1, 2008 THROUGH AUGUST 31, 2008**

<sup>1</sup> The other Debtors are the following: U.S. Energy Overseas Investments, LLC and GBGH, LLC.



I, Peter S. Partee, hereby certify that:

1. I am an attorney admitted to practice before the courts of the States of Virginia and New York, the United States Court of Appeals for the Fourth Circuit, the United States District Court for the Southern District of New York, the United States District Courts for the Eastern and Western Districts of Virginia, and the United States District Court for the District of Colorado. I am a member of the law firm of Hunton & Williams LLP (“Hunton”), Court-approved counsel to the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”).

2. I am the professional designated by Hunton in respect of compliance with the *Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases*, adopted by the United States Bankruptcy Court for the Southern District of New York on June 21, 1991 and amended on April 19, 1995 (the “Local Guidelines”), and the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330* effective January 30, 1996 (the “UST Guidelines,” and with the Local Guidelines, the “Guidelines”).

3. This certification is made with respect to the *Second Interim Application of Hunton & Williams LLP, Counsel to the Debtors and Debtors-in-Possession, for an Award of Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred During the Period of May 1, 2008 through August 31, 2008* (the “Application”).

4. All of the services for which compensation is sought by Hunton were performed for and on behalf of the Debtors and not on behalf of any other person or entity.

5. No agreement exists between Hunton and any other entity for the sharing of compensation received or to be received for services rendered in or in connection with the above-captioned cases.

6. In accordance with the Guidelines, I hereby certify that

- (a) I have read the Application;
- (b) to the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought in the Application fall within the Guidelines;
- (c) except to the extent that fees or disbursements are prohibited by the Local Guidelines or the U.S. Trustee Guidelines, the fees and disbursements sought are consistent with arrangements entered into by Hunton for similar services to be provided to clients such as the Debtors for representations of the type and complexity described in the Application and are generally accepted by Hunton's clients;
- (d) in providing a reimbursable service, Hunton does not make a profit on that service, whether the service is performed by Hunton in-house or through a third-party vendor;
- (e) in charging for a particular service, Hunton does not include in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment, or capital outlay; and
- (f) the Office of the United States Trustee for the Southern District of New York, the Debtors, and the attorneys for the administrative agents for the Debtors' prepetition secured lenders will be provided with a copy of this Application

contemporaneously with the filing thereof, and will have at least ten days to review such Application prior to any objection deadline with respect thereto.

7. Prior to the filing of the Application, the Debtors reviewed the Application and approved the filing of the Application.

8. Hunton's Monthly Fee Statements have been served on the Notice Parties (as defined in the Interim Compensation Order).

Dated: New York, New York  
October 1, 2008

/s/ Peter S. Partee  
Peter S. Partee