	Case 1:24-bk-00002 D	Ocument No Q	Eiled 0//23/2/	Docket #0009 Date Filed: 4/23/2024
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16		vice pending) 7 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	S DISTRICT CO MARIANA ISLAN MUVISION	
<ol> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> </ol>	In re IMPERIAL PACIFIC INTERNATIONAL (CNM Debtor and I Possession.		INTERIM FEE EXPENSE RE PROCEDURE ALLISON A. I MOTION HEARING DATE: [To be TIME: [To be	ORDER ESTABLISHING APPLICATION AND IMBURSEMENT S; DECLARATION OF TO IN SUPPORT OF
26 27 28		1	Judge. Holl.	Xamona mangiona

1	MOTION FOR ORDER ESTABLISHING INTERIM FEE APPLICATION AND
2	EXPENSE REIMBURSEMENT PROCEDURES
3	IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC, debtor and debtor-in-
4	possession ("Debtor"), hereby moves this Court for the entry of an order establishing
5	interim fee application and expense reimbursement procedures.
6	This motion is made pursuant to Section 331 of the Bankruptcy Code, and is
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8	based upon the record in this case, the attached Declaration of Allison A. Ito, and the
9	Declaration of Howyo Chi in Support of First Day Motions ("Chi Declaration"), and such
10	argument of counsel as may be made at the hearing on the motion.
11	In support of its Motion for Order Establishing Interim Fee Application and
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13	Expense Reimbursement Procedures (the "Motion"), the Debtor respectfully represents as
14	follows:
15	JURISDICTION AND VENUE
16	1. This Court has jurisdiction over this matter, pursuant to 28 U.S.C. §§ 157
17	and 1334. This is a core proceeding, pursuant to 28 U.S.C. § 157(b)(2).
18	2. Venue is proper before the Court, pursuant to 28 U.S.C. §§ 1408 and
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20	1409.
21	3. This Motion is made pursuant to 11 U.S.C. § 331, Bankruptcy Rule 2016,
22	and LBR 2016.
23	GENERAL BACKGROUND
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25	4. On April 19, 2024, the Debtor filed a petition for relief under Chapter 11
26	of the United States Bankruptcy Code in the District Court for the Northern Mariana
27	Islands, Bankruptcy Division (the "Bankruptcy Court").
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1 5. The Debtor continues to operate and manage its business, as debtor-in-2 possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code. 3 RELIEF REQUESTED 4 6. In connection with the administration of this Chapter 11 case, the Debtor 5 6 will seek immediate authorization to hire McDonald Law Office as local bankruptcy co-7 counsel counsel, Choi & Ito as lead bankruptcy counsel, and the Law Offices of Michael 8 Chen as special litigation counsel. The Debtor may employ other professionals 9 (collectively, the "Professionals") as necessary. 10 7. Furthermore, in the event that an Unsecured Creditors' Committee (the 11 12 "Committee") is formed, the Committee may also employ Professionals, and its members 13 may also seek reimbursement for out-of-pocket expenses from the Debtor. 14 8. The Debtor anticipates the need for a substantial amount of assistance 15 from the Professionals, which in turn will generate a significant amount of fees and costs 16 on a monthly basis during the course of this case. 17 18 9. If payment to the Professionals is delayed until quarterly fee applications 19 are approved, the Professionals effectively will be forced to finance a significant portion 20 of the administration of this case. The Debtor understands that this would place an undue 21 hardship on the Professionals. 22 10. The Debtor believes that it is necessary and appropriate to establish a 23 24 procedure for paying interim compensation on a monthly basis to all Professionals whose 25 employment on a continuing basis has been duly authorized by this Court. 26 27 3 28

1	11. The Debtor has obtained a DIP financing commitment and believes that it		
2	can pay on a monthly basis all professional fees and expenses incurred for services		
3	rendered by the Professionals without jeopardizing payment of any of the other post-		
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5	petition operating expenses.		
6	12. The interim fee procedure outlined herein is appropriate under the		
7	Bankruptcy Code. Section 331 of the Bankruptcy Code provides as follows:		
8	A trustee, an examiner, a debtor's attorney, or any		
9	professional person employed under section 327 or 1103 of		
10	this title may apply to the court not more than once every 120 days after an order for relief in a case under this title,		
11	or more often if the court permits, for such compensation		
	for services rendered before the date of such an application		
12	or reimbursement for expenses incurred before such date as is provided under section 330 of this title. <u>After notice and</u>		
13	a hearing, the court may allow and disburse to such		
14	applicant such compensation or reimbursement.		
15	11 U.S.C. § 331 (emphasis added).		
16	Section 102(1) provides that "after notice and a hearing":		
17	(A) means after such notice as is appropriate in the		
18	particular circumstances, and such opportunity for a		
19	hearing as is appropriate in the particular circumstances; but		
20			
21	(B) authorizes an act without an actual hearing if such notice is given properly and if $-$		
22	(i) such a hearing is not requested timely by a		
23	party in interest		
24	11 U.S.C. § 102(1).		
25	13. As the Bankruptcy Appellate Panel for the Ninth Circuit has observed, one		
26	cannot ignore "the problem, arising especially in large cases, that when counsel must wait		
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1	an extended period for payment, counsel is essentially compelled to finance the		
2	reorganization. This result is improper and may discourage qualified practitioners from		
3 4	participating in bankruptcy cases; a result that is clearly contrary to Congressional		
5	intent." United States Trustee v. Knudsen Corp. (In re Knudsen Corp.), 84 B.R. 668, 672		
6	(9th Cir. B.A.P. 1988) (footnote omitted).		
7	14. That Congressional intent is expressed unequivocally in the House and		
8	Senate Reports accompanying enactment of the Bankruptcy Code:		
9	The court may permit more frequent applications if the		
10 11	circumstances warrant, such as in very large cases where the legal work is extensive and merits more frequent		
11	payments. The court is authorized to allow and order disbursements to the applicant of compensation that is		
12	otherwise allowable under section 330.		
14	H.R. Rep. 595, 95th Cong., 1st Sess. 330 (1977); S. Rep. 989, 95th Cong., 2d Sess. 41-2		
15	(1978).		
16	15. The Debtor believes it appropriate for the Court to adopt the following		
17	procedure for awarding interim compensation and reimbursement of expenses to all		
18	Professionals employed at the expense of the estate in this case pursuant to an order of		
19	this Court:		
20	uns Court.		
21	a. Professionals shall be authorized to serve upon the Debtor, Office of the United States Trustee, and the		
22	Committee (if and when one is formed)		
23	(collectively, the "Notice Parties"), on a monthly basis, an itemized monthly statement ("Interim Fee		
24	Statement") in the form and with the content that satisfies the requirements of the Bankruptcy Code,		
25 26	the Federal Rules of Bankruptcy Procedure, and LBR 2016-1, setting forth the date, the nature of the		
26	services rendered, and the time expended by each		
27	professional for which fees are requested. The 5		
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Interim Fee Statement need not be filed with the Court.

3	b.	If no written objection ("Objection") is served
4		within 14 days of service of the Interim Fee Statement by any of the Notice Parties, the Debtor
5		shall be authorized to pay 100% of the costs and
6		80% of the fees requested to the Professionals. Any Objection must be served on the professional who
7		submitted the interim fee statement, and all of the Notice Parties, but need not be filed with the Court.
8		
9	с.	If a timely Objection to an Interim Fee Statement is made, the affected professional and the objecting
10		party shall attempt to resolve the Objection. The
11		Debtor shall pay that portion of the Interim Fee Statement of the affected professional which is
		undisputed pending resolution of the Objection. If
12		the parties cannot resolve the Objection, the matter will be resolved by the Court.
13	d.	To be eligible to receive payments under this
14	u.	interim compensation procedure, Professionals must
15		file interim fee applications with the Court, not less than once every 120 days from the date of retention.
16		Any interim application shall set forth the full
17		amount of compensation and reimbursement of costs and expenses requested, including that
18		previously paid. Failure to file interim fee
19		applications in accordance with this procedure will disqualify the professional from seeking
20		compensation on a monthly basis until the
21		professional complies with this procedure.
22	16. Finally	, the Debtor anticipates that members of any Committee may each
23	incur out-of-pocket ex	penses associated with serving as a member of the Committee.
24	The Debtor believes it	t is necessary and appropriate to establish a procedure for the
25	reimbursement of such	h expenses. On a periodic basis, no more frequently than monthly,
26	each representative of	a Committee member (not to exceed one representative per
27	_	
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1 Committee member unless authorized in advance by the Debtor) shall serve upon the 2 Notice Parties an itemized statement setting forth the expenses for which reimbursement 3 is requested. The Debtor proposes to reimburse 100% of such expenses if they find the 4 statement is in order. Upon request of the Debtor, the person requesting reimbursement 5 6 shall be required to provide copies of the invoices or receipts for such expenses in excess 7 of \$100.00. Committee member expenses need not be approved pursuant to any interim 8 or final fee application process, unless necessary to resolve any pending objection to a 9 reimbursement request. 10 CONCLUSION 11 12 WHEREFORE, the Debtor requests that this Court enter an order 13 establishing interim fee application and expense reimbursement procedures as described 14 above, and for such other and further relief as this Court deems just. 15 DATED: Hagatna, Guam, April 23, 2024. 16 /s/ Charles H. McDonald II 17 CHUCK C. CHOI 18 ALLISON A. ITO CHARLES H. MCDONALD II (F0494) 19 Proposed Attorneys for Debtor and Debtor-in-Possession 20 21 22 23 24 25 26 27 7 28

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1	IN THE UNITED STATES BANKRUPTCY COURT		
2	FOR THE NORTHERN MARIANA ISLANDS		
3	BANKRUPTCY DIVISION		
4	In re BK. NO. 24-00002		
5	(Chapter 11) IMPERIAL PACIFIC INTERNATIONAL		
6	(CNMI), LLC, DECLARATION OF ALLISON A. IT	O	
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8	Debtor and		
9	Debtor-in-Possession.		
10	DECLARATION OF ALLISON A. ITO		
11 12			
12	I, ALLISON A. ITO, hereby declare under penalty of perjury that:	_	
13	1. I am an attorney duly licensed to practice before all courts of the State of	Ē	
15	Hawaii and before the United States District Court for the District of Hawaii, and am a		
16	partner in the law firm of Choi & Ito (the "Firm"), proposed bankruptcy counsel for		
17	IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC, debtor and debtor-in-		
18	possession ("Debtor"). I have personal knowledge of the facts stated herein and would		
19	competently testify thereto if called as a witness.		
20	2. I have reviewed the Motion in Support of the Motion for Order		
21	Establishing Interim Fee Application and Expense Reimbursement Procedures (the		
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23	"Motion"), and to the best of my knowledge, information and belief, the Debtor's		
24	retention of the Firm in this case would work a hardship on the Firm if it could only be		
25 26	paid on a tri-annual basis.		
20 27	3. The Firm is comprised of two partners. Due to the size, nature, and		
28	complexity of this case, it is likely to involve both attorneys of the Firm for substantial		
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1	periods of the case. Similarly, proposed co-counsel McDonald Law Office is a two-
2	attorney law firm. Finally, the Law Offices of Michael Chen is a one-attorney law firm.
3	4. The proposed interim procedures have worked successfully in other cases
4	in this district, and the Firm has complied with similar interim procedures implemented in
5	other cases.
6	Dated: Honolulu, Hawaii, April 22, 2024.
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8	/s/ Allison A. Ito
9 10	ALLISON A. ITO
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