

FILED
Clerk
District Court
JUN 18 2024

for the Northern Mariana Islands
By 
(Deputy Clerk)

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN MARIANA ISLANDS
BANKRUPTCY DIVISION

In re

IMPERIAL PACIFIC INTERNATIONAL
(CNMI), LLC,

Debtor and
Debtor-in-Possession.

Case 1:24-bk-00002

INTERIM ORDER AUTHORIZING
MOTION FOR ORDER ESTABLISHING
INTERIM FEE APPLICATION AND
EXPENSE REIMBURSEMENT
PROCEDURES

Interim Hearing:

DATE: May 30, 2024

TIME: 8:30 a.m. CHST

Final Hearing:

DATE: June 21, 2024

TIME: 8:30 a.m. CHST

[Related to Dkt. Nos. 9, 19, 30, 41, 97]

The *Motion for Order Establishing Interim Fee Application and Expense Reimbursement Procedures* (“Motion,” ECF No. 9),¹ filed by IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC, debtor and debtor-in-possession (the “Debtor”) on April 23, 2024, came on for an interim hearing before the Honorable Ramona V. Manglona, United States Bankruptcy Judge for the United States District Court for the Northern Mariana Islands (the “Court”) on May 30, 2024. (Mins., ECF No. 98.)

¹ Capitalized terms not herein defined shall have the meaning set forth in the Motion.



1 Chuck C. Choi, Esq. (vtc),² Allison A. Ito, Esq. (vtc), Charles H. McDonald II, Esq., and
 2 Michael Chen, Esq. (vtc) appeared on behalf of the Debtor. (*Id.*) Howyo Chi, the Debtor's
 3 representative, also appeared. (*Id.*) Assistant U.S. Trustee Curtis B. Ching (vtc) appeared for the Office
 4 of the United States Trustee ("UST"). (*Id.*) Aaron Halegua, Esq. (vtc) and Bruce Berline, Esq.,
 5 appeared for Joshua Gray ("Gray"). (*Id.*) Michael White, Esq., appeared on behalf of Clear
 6 Management. Martin Wright (vtc), representative for Clear Management also appeared. (*Id.*) Robert
 7 Glass, Esq. appeared for Commonwealth of the Northern Mariana Islands. (*Id.*) Aram Ordubegian,
 8 Esq. (vtc), Christopher Wong, Esq. (vtc), and Keith Chambers, II, appeared (as proposed counsel) for
 9 the Official Committee of Unsecured Creditors (the "Committee"). (*Id.*) Colin Thompson, Esq.
 10 appeared for U.S.A. Fanter Corp., Ltd. ("U.S.A. Fanter") and other Creditors. (*Id.*) Richard Miller,
 11 Esq. appeared on behalf of Hughes Hubbard & Reed, and Genc Plaintiffs. (*Id.*) Michael Dotts, Esq.
 12 appeared for Dotts Law Office. (*Id.*)
 13

14 Having reviewed the Motion and all papers filed in support thereof, the Declaration of Howyo
 15 Chi in Support of "First Day" Motions (ECF No. 14), the position statement filed by the UST (ECF
 16 No. 19), the objection filed by Gray (ECF No. 30) and the joinders thereto filed by U.S.A. Fanter,
 17 James Whang dba South Pacific Lumber Company, Artman Corp., Fujitec Pacific, Inc., GT Building
 18 Systems International PTD, Ltd., and Hemine Ipwan Islam dba Ipwan Security Services, Hughes
 19 Hubbard & Reed LLP, and Dotts Law Office (ECF Nos. 41, 45, 97) and having heard the statements
 20 of counsel regarding the relief requested in the Motion at the hearing, the Court finding that (a) it has
 21 jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding
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 23
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² "(vtc)" denotes that the appearance was made via video conference.

pursuant to 28 U.S.C. § 157(b)(2), and (c) notice of the hearing on the Motion was sufficient, and good cause appearing therefore,

IT IS HEREBY ORDERED that:

1. The Motion is granted on an interim basis.
2. All professionals employed at the expense of the estate in this case (the “Professionals”), may participate in the interim compensation procedure set forth herein as follows:
 - a. Professionals shall be authorized to serve upon the Debtor, Office of the United States Trustee, and the Committee (collectively, the “Notice Parties”), on a monthly basis, an itemized monthly statement (“Interim Fee Statement”) in the form and with the content that satisfies the requirements of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and LBR 2016-1, setting forth the date, the nature of the services rendered, and the time expended by each professional for which fees are requested. The Interim Fee Statement need not be filed with the Court.
 - b. If no written objection (“Objection”) is served within 14 days of service of the Interim Fee Statement by any of the Notice Parties, the Debtor shall be authorized to pay 100% of the costs and 80% of the fees requested to the Professionals. Any Objection must be served on the professional who submitted the interim fee statement, and all of the Notice Parties, but need not be filed with the Court.
 - c. If a timely Objection to an Interim Fee Statement is made, the affected professional and the objecting party shall attempt to resolve the Objection. The Debtor shall pay that portion of the Interim Fee Statement of the affected professional which is undisputed pending resolution of the Objection. If the parties cannot resolve the Objection, the matter will be resolved by the Court.

1 d. To be eligible to receive payments under this interim compensation procedure,
2 Professionals must file interim fee applications with the Court, and serve on the
3 Notice Parties, as follows: (i) not more than once in the initial 120 days after entry
4 of the order for relief, and (ii) thereafter, in four to six month intervals, or at such
5 other intervals convenient to the Court. Any interim application shall set forth the
6 full amount of compensation and reimbursement of costs and expenses requested,
7 including that previously paid. Failure to file interim fee applications in accordance
8 with this procedure will disqualify the professional from seeking compensation on
9 a monthly basis until the professional complies with this procedure.

10 e. The failure of any Notice Party to object to an Interim Fee Statement does not, and
11 shall not, waive the right of such Notice Party to file and serve an objection to an
12 Interim Fee Application. Nor shall the failure of any Notice Party to object to an
13 Interim Fee Statement bind any Notice Party for purposes of such Notice Party's
14 objection, if any, to an Interim Fee Application. All fees and expenses paid to
15 Professionals are subject to disgorgement until final allowance by the Court.
16

17 3. Members of the Committee may seek reimbursement from the Debtor for reasonable
18 expenses incurred in discharging their duties by serving upon the Notice Parties, an itemized statement
19 setting forth the expenses for which reimbursement is requested. The Debtor shall be authorized to
20 reimburse 100% of such expenses if they find the statement is in order. Upon request of the Debtor,
21 the person requesting reimbursement shall be required to provide copies of the invoices or receipts for
22 such expenses in excess of \$100.00. Unless authorized in advance by the Debtor, only one
23 representative per Committee member is authorized to seek reimbursement of expenses for any
24

particular meeting. Committee member expenses need not be approved pursuant to any interim or final fee application process, unless necessary to resolve any pending objection to a reimbursement request.

4. For any fees sought in an Interim Fee Statement or Interim Fee Application, compensation for travel time shall be limited as follows: (i) *non-working travel time* shall be billed at 50% of the Professionals' hourly rate, with a cap of 6 hours for any one-way trip to or from Northern Marianas Islands (by way of example, 6 hours shall be 12 hours of travel time at 50% of the Professionals' hourly rate); and (ii) *working travel time* is billable at 100% of the Professionals' agreed upon hourly rate not to exceed 8 hours of working travel time per trip (by way of example, if a Professional took 16 hours to travel to Northern Marianas Islands and conducted 2 hours of work on the case during the trip, the Professional would be able to bill for the 2 hours of actual work, plus 6 more hours of non-working travel time (50% of 14 hours of non-working travel equals 7 hours, but capped to 6 hours) for a total of 8 hours billed during the trip).

5. Any supplemental pleadings in support of the Motion shall be filed on or before **June 11, 2024**, and any replies thereto shall be filed on or before **June 17, 2024**.

6. A final hearing on the Motion shall be held on **June 21, 2024 at 8:30 a.m.**

It is SO ORDERED this 18th day of June 2024.



RAMONA V. MANGLONA
Chief Judge

Approved as to form:

/s/ Neil J. Verbrugge

Neil J. Verbrugge, Esq.
Counsel for Office of the U.S. Trustee

/s/ Christopher K.S. Wong

Keith Chambers, II, Esq.

Aram Ordubegian, Esq.

Christopher K.S. Wong, Esq.

Proposed Counsel for the Official Committee of Unsecured Creditors