



**IV. TIME PERIOD COVERED** – March 28, 2013 through June 30, 2014.

**V. BREAKOUT OF CURRENT APPLICATION**

MINIMUM FEE INCREMENTS – .01

**SUMMARY BY TIMEKEEPER**

	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
<b>Partners:</b>			
K. Lavelle	4.1	645.00	2,644.50
S. Moore	0.3	615.00	184.50
S. Moore	4.8	650.00	3,120.00
P. Tomasco	516.0	575.00	296,526.00
P. Tomasco	343.5	615.00	211,252.50
A. Benolken	11.7	545.00	6,376.50
M. Sprouse	0.3	465.00	139.50
Total Partners	880.7		\$ 520,243.50
<b>Associates:</b>			
E. Nicolas	17.3	395.00	6,833.50
E. Nicolas	1.9	425.00	807.50
S. Hartman	16.6	290.00	4,814.00
S. Hartman	8.5	345.00	2,932.50
J. Wertz	204.8	285.00	58,368.00
J. Wertz	513.1	325.00	166,790.00
A. Solomon	13.7	285.00	3,904.50
S. Puls	5.5	200.00	1,100.00
Total Associates	781.4		\$ 245,550.00
<b>Paralegals:</b>			
C. Thomas	407.9	175.00	71,382.50
C. Thomas	566.1	185.00	104,728.50
Total Paralegals	976.0		\$176,111.00
<b>Litigation Support</b>			
M. Wilkins	1.6	225.00	360.00
M. Deegan	1.3	215.00	279.50
Total Litigation Support	2.9		\$639.50
<b>TOTAL</b>	<b>2,641.0</b>		<b>\$ 942,544.00</b>

EXPENSES: \$134,913.95 – Total expense charges include:

<u>Expense Type:</u>	<u>Amount:</u>
Certified Mail	\$ 2,289.09
Color Imaging Expense	\$ 939.25

<u>Expense Type:</u>	<u>Amount:</u>
Copying	\$ 58,842.35
Delivery Fees	\$ 257.01
Federal Express	\$ 486.56
Filing Fees	\$ 17,322.00
Mediation Expense	\$ 6,000.00
Outside Copying Expense	\$ 11,443.48
Parking	\$ 6.75
Postage	\$ 16,930.73
Process Server Fees	\$ 2,220.00
Research Services	\$ 12,328.31
SOS Direct	\$ 24.00
Teleconferencing Expenses	\$ 197.01
Transcripts	\$ 1,229.99
UCC Search	\$ 272.50
Westlaw Research	\$ 3,724.92
<b>Total Expenses</b>	<b>\$ 134,913.95</b>

AMOUNT ALLOCATED FOR PREPARATION OF THIS FEE APPLICATION: 18 hrs.

**VI. PRIOR APPLICATIONS:** Jackson Walker L.L.P.'s First Interim Application for Allowance of Compensation and Reimbursement of Expenses for the Period from March 28, 2013 through June 30, 2013; order entered September 19, 2013.

**VII. OTHER CO-EQUAL OR ADMINISTRATIVE CLAIMANTS IN THIS CASE:** Tamarack & Associates as Financial Advisor, The Brown Firm PLLC as Special Counsel, Q Advisors as Financial Advisors, DeShazo & Nesbitt LLP as Special Counsel, Kelley Drye & Warren LLP, as Counsel to the Official Committee of Unsecured Creditors, and QSI Consulting, Inc., as Financial Advisor to the Committee.

**VIII. OVERVIEW AND BACKGROUND FACTS**

**A. General**

1. UPH Holdings, Inc. ("UPH") is a Delaware corporation headquartered in Austin, Texas. UPH is a privately held, non-operating holding company with investments in UniPoint Holdings and Pac-West, and indirect investments in subsidiaries of those two companies. UPH does not currently hold any authorizations to provide telecommunications services. UPH was formed to hold the stock of Unipoint Holdings, and its subsidiaries, Peering Partners, and nWire. UPH then acquired the stock in Pac-West pursuant to a Merger Agreement dated September 7, 2011. As a result of these various transactions and the Pac-West Merger Agreement, UPH is now the holding company for UniPoint Holdings, Inc. and Pac-West

Telecomm, Inc. All other Debtors are subsidiaries of either UniPoint Holdings, Inc. or Pac-West Telecomm, Inc.

2. UniPoint Holdings, Inc., a Delaware corporation, (“UniPoint Holdings”) provides enhanced product and service offering to meet the needs of rapidly evolving communications world, primarily in the wholesale arena. Products and services offered by UniPoint Holdings include: business and residential communications services, IP peering, unbundled VoIP network elements, direct Internet access, virtual private networks, virtual network elements, origination, termination, toll-free, and other cloud-based services. UniPoint Holdings was formed in 2001 to acquire the assets of PointOne Communications, Inc. and its various subsidiaries out of the chapter 11 reorganization case, *In re PointOne Communications, Inc.*, in the United States Bankruptcy Court for the Western District of Texas, Case No. 01-12978-FRM.

3. Pac-West Telecomm, Inc., a California corporation (“Pac-West”), provides advanced telecommunications and data services, enabling traditional and next-generation carriers to efficiently design, deploy, and deliver integrated communications solutions. Pac-West offers origination, termination, managed modem, co-location, database, and transport services. Pac-West currently operates as a competitive local exchange carrier (“CLEC”) and holds a certificate of public convenience and necessity (“CPCN”) in California, Alabama, Arizona, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, Wisconsin, and Wyoming. Pac-West is also certified as a competitive carrier in the District of Columbia. Pac-West currently offers all forms of telecommunications, including: local and long distance origination and termination; switched and special access; 8YY originating access and 8YY services; managed modem; and collocation services.

4. Peering Partners Communications Holdings, LLC, (“Peering Partners”) is a Texas LLC, qualified to do business in the State of Nevada. Peering Partners was formed for the purposes of acquiring the carrier services division of CommPartners Holding Corporation (“CommPartners”)<sup>1</sup> that provides wholesale origination and termination services to other carriers throughout the United States. Peering Partners has contracts with either enhanced service providers (“ESP”s), who generate IP-based traffic, or other carriers who, in turn, have contracted with ESPs, who generate IP-based traffic, to have the traffic carried across Peering Partners’ network, convert the traffic to TDM and hand it off to the terminating carrier. Peering Partners operates in a highly competitive and price-sensitive segment.

5. nWire LLC (“nWire”), a Texas LLC, is a facilities-based CLEC certified to provide services in Texas, Arkansas, and Oklahoma.

6. UniPoint Services, Inc. (“UniPoint Services”) is a Texas corporation that buys and sells unbundled network communications elements.

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<sup>1</sup> The acquisition of the CommPartners Carrier Services division closed on December 23, 2010, and was approved in *In re CommPartners Holding Corporation*, Case No. BK-S-10-20932-LBR; in the United States Bankruptcy Court for the District of Nevada.

7. UniPoint Enhanced Services, Inc. ("UniPoint Enhanced Services") is a Texas corporation that provides enhanced services.

8. Tex-Link Communications, Inc. ("Tex-Link") is a telecommunications company that provides customized voice and data services to small- and medium-sized businesses through a facilities-based local exchange and inter-exchange network.

**B. The Debtor's Schedules and Bar Date**

The Bar Date was July 22, 2013. The bankruptcy schedules and statements were filed on April 18, 2013.

**C. Post-Petition Operations**

As of the Petition Date, the Debtors began operating their businesses and managing their property as a Debtors in Possession pursuant to 11 U.S.C. §§ 1107 and 1108.

**D. Sale of the Debtors' Assets**

JW participated in the establishment of a data room to effectively market certain assets of the Debtors, and during the marketing process communicated with numerous potential purchasers, prepared confidentiality agreements regarding viewing of the information posted in the data room, continually conferred with and advised the client and the financial advisors on marketing issues regarding data room content and access regarding customer information.

The marketing efforts resulted in JW's negotiation of a definitive Asset Purchase Agreement with TNCI Operating Company, LLC. A sale hearing was held, and the Court entered an order approving the terms of the sale for approximately \$9,000,000.

**E. T-Mobile and Leap Wireless Litigation**

JW filed adversary proceedings pursuant to 11 U.S.C. § 542(b) on behalf of the Debtors for the collection intercarrier compensation owed to the Debtors totaling over \$38,000,000. As of June 30, 2014, these adversary proceedings were pending.

**F. Collection of Accounts Receivable**

JW filed 38 adversary proceedings pursuant to 11 U.S.C. § 542(b) on behalf of the Debtors for the collection of the Debtors' accounts receivable. As of June 30, 2014, JW had settled, and had collected or was in the process of collecting, approximately \$120,000.00 as a result of the collection adversaries.

**G. Preference Actions**

JW filed 29 adversary proceedings on behalf of the Debtors for the recovery of preference payments made by the Debtors. As of June 30, 2014, JW had settled, and had collected or was in the process of collecting, approximately \$148,000.00 as a result of the preference actions.

**IX. DEBTORS' COUNSEL'S ROLE IN THE BANKRUPTCY CASE**

- a. JW has provided the Debtors with legal services and advice, as described in greater detail in the invoice attached as Exhibit "B" to JW's Final Application. As stated in the Application to Approve Employment of Jackson Walker L.L.P. as Bankruptcy Counsel for Debtors, the professional services Applicant was retained to render on behalf of the Debtors include:
- b. Assist and advise the Debtors relative to its operations as a debtors-in-possession, and relative to the overall administration of this Chapter 11 case;
- c. Represent the Debtors at hearings held before this Court and communicate with its creditors regarding the matters heard and the issues raised, as well as the decisions and considerations of this Court;
- d. Prepare, review and analyze pleadings, orders, operating reports, schedules, statements of affairs and other documents filed and any future filings with this Court by the Debtors or other interested parties in this Chapter 11 case; advise the Debtors as to the necessity, propriety and impact of the foregoing upon this Chapter 11 case, and consent or object to pleadings or orders on behalf of the Debtors;
- e. Assist the Debtors in preparing such applications, motions, memoranda, proposed orders and other pleadings as may be required in support of positions taken by the Debtors, as well as preparing witnesses and reviewing documents relevant thereto;
- f. Coordinate the receipt and dissemination of information of the Debtors;
- g. Confer with any professionals as may be selected and employed in connection with this case;
- h. Assist and counsel the Debtors in their negotiations with creditors, or Court-appointed representatives or interested third parties concerning the terms, conditions and import of a plan of reorganization and disclosure statement to be proposed and filed by the Debtors; and
- i. Assist the Debtors generally in performing such other services as may be desirable or required pursuant to § 1107 of the Code.

**X. RESULTS OBTAINED BY CATEGORY:**

**Asset Analysis and Recovery:** Fees: \$13,931.00; Hours: 32.6. The tasks performed in this category include analyzing potential collection and preference actions, analyzing the marketable title of the Telastic license agreement, status of Oracle software license.

**Asset Disposition:** Fees: \$287,080.50; Hours: 603.3. The tasks performed in this category include reviewing contracts and leases to be rejected or assumed and filing motions for same,

resolving issues regarding cure amounts, drafting of APA, motion and order approving the sale of Debtors' assets to TNCI, closing of sale, and litigation of dispute with TNCI over working capital terms contained in APA; the drafting of a Patent Purchase Agreement between UPH Holdings, Inc and J. Michael Holloway for the purchase of certain patents and other intellectual property. Proceeds from these sales totaled approximately \$9,000,000.

**Business Operations:** Fees: \$4,409.50; Hours: 11.3. These fees relate to completion of sales tax returns, payment made to UMS.

**Case Administration:** Fees: \$106,446.50; Hours: 373.3. These fees relate to the Case Administration category generally and includes all services rendered by Applicant that deal with general administration of the case and may also include other specific matters that are not readily classifiable into other more specific matters. The time expended by Applicant on case administration matters includes preparation for and attendance at the initial debtor conference, preparation and filing of schedules and statements, monitoring of required operating reports, telephonic conferences, obtaining and reviewing court dockets for upcoming deadlines and hearings, communications with the Court's docketing clerks regarding hearings and continuances, and addressing other administrative issues.

**Claims Administration and Objections:** Fees: \$85,311.50; Hours: 251.7. The tasks performed in this category relate to specific claim inquiries, and analyses of filed claims, the objections to the administration expense claims of the State Board of Equalization, USAC, Texas Comptroller, RiverRock, TNS, and Cogent, and the preparation, filing and prosecution of a Debtors' Motion Pursuant to 11 U.S.C. § 505(a) for the Determination of Debtors' Tax Liability, and the 25.25(d) Motions filed in both Dallas and Harris Counties, resulting in reduction in incurred or administrative claims by \$995,370.85.

**Employee Benefits/Pensions:** Fees: \$920.00; Hours: 1.6. The tasks performed in this category relate to employee wage motions.

**Fee/Employment Applications:** Fees: \$22,538.00; Hours: 99.8. These fees relate to the services rendered by Applicant concerning the retention of DeShazo & Nesbitt LLP as Special Counsel, and the preparing, revising and filing of applications for compensation of JW as Debtors' counsel, Tamarack & Associates as financial advisor, The Brown Firm PLLC as Special Counsel, and application to retain winding up personnel.

**Fee/Employment Objections:** Fees: \$746.00; Hours: .2.2. These fees relate to the United States Trustee's objection to certain entries on Jackson Walker's fee application, the limited objection of the United States Trustee to the employment of Q Advisors, the objection of the United States Trustee to the Application to Employ Ordinary Court Professionals.

**Financing:** Fees: \$37,911.00; Hours: 73.8. These fees relate to the preparing and filing of the cash collateral motion, the negotiation of agreed interim and final cash collateral orders with the secured creditor and the Committee, adequate protection issues, and analysis of secured claims.

**Meetings of Creditors:** Fees: \$6,178.00; Hours: 11.4. These fees relate to preparing for and attending Debtors' 341 meetings, and communications with Official Committee of Unsecured Creditors.

**Plan and Disclosure Statement:** Fees: \$69,827.00; Hours: 212.6. These fees relate to the formulation of a disclosure statement and plan, preparation of ballots, service of solicitation package, tabulation of ballots, reviewing and responding to objections, and hearings for the approval of disclosure statement and plan.

**Relief from Stay Proceedings:** Fees: \$14,591.50; Hours: 29.7. These fees relate to stay violation issues regarding Qwest, IBDC, Switch Las Vegas, AT&T, Merchant Bank, Pilot Communications, Equinix, and the New York Department of Labor.

**Litigation – T-Mobile:** Fees: \$99,317.50; Hours: 234.0. These fees relate to the filing and prosecution of an adversary proceeding against T-Mobile for turnover of property and payment of intercarrier compensation totaling \$19,056,569.34 pursuant to 11 U.S.C. § 542(b), and the defense of multiple Motions to Dismiss.

**Litigation – Leap Wireless (Cricket):** Fees: \$33,012.00; Hours: 94.0. These fees relate to the filing and prosecution of an adversary proceeding against Leap Wireless (Cricket) for turnover of property and payment of intercarrier compensation totaling \$18,968,503.67 pursuant to 11 U.S.C. § 542(b), and the defense of multiple Motions to Dismiss.

**Litigation – Collections:** Fees: \$79,700.00; Hours: 287.6. These fees relate to the filing, development and prosecution of 38 adversary proceedings pursuant to 11 U.S.C. § 542(b) on behalf of the Debtors for the collection of the Debtors' accounts receivable totaling \$610,677.54.

**Litigation – Preferences:** Fees: \$80,624.00; Hours: 320.0. These fees relate to the filing, development and prosecution of 29 adversary proceedings on behalf of the Debtors for the recovery of preference payments made by the Debtors totaling \$1,757,899.64.

## **XI. JUSTIFICATION OF BILLING RATES:**

- a. Steven D. Moore, Partner: Billing rate \$615/\$650 per hour. Mr. Moore is a state tax lawyer whose practice includes planning and controversy work emphasizing sales tax, Texas franchise (aka "margin") tax, and insurance premium tax. Mr. Moore is dedicated, from a value-driven perspective, to helping his clients fully comply with and control their tax exposure. Mr. Moore has extensive experience in state tax planning for multi-state business models, and regularly provides tax strategy advice relating to business acquisitions and divestitures. An effective negotiator, Mr. Moore works to reach successful and economically viable resolutions to Texas sales, franchise, and insurance premium tax audits. To this end, Mr. Moore handles administrative hearings before the Texas Comptroller of Public Accounts and works with the firm's litigation group to prosecute judicial resolution of Texas tax cases. Recognized for his depth of expertise in state tax matters, Mr. Moore is one of the state's leading attorneys for guidance on the Texas margin tax and he frequently speaks on this topic, with ongoing commitments for presentations to Texas State Bar and University of Texas CLE programs
- b. Patricia Baron Tomasco, Partner: Billing rate \$575/\$615 per hour. Ms. Tomasco has been practicing bankruptcy and reorganization law since 1988. Ms. Tomasco's practice consists of corporate reorganization and fiduciary litigation,



where she focuses on workouts, reorganizations, distressed acquisitions, and debtor and creditor representation in Chapter 11 cases as well as litigation related to fiduciary roles in both corporate and securitization entities. Ms. Tomasco has represented dozens of corporate debtors through successful plan confirmations as lead counsel and participated in chapter 11 proceedings throughout the United States as counsel to debtors, creditors, committees, and purchasers. Ms. Tomasco also has experience in telecommunications-related reorganizations and litigation. Ms. Tomasco is Board Certified in Business Bankruptcy Law by the Texas Board of Legal Specialization. She served on the Exam Commission for the Texas Board of Legal Specialization from 2007 through 2011.

- c. Kathleen M. LaValle, Partner: Billing rate \$645 per hour. Ms. LaValle has handled a wide range of complex litigation at the trial and appellate level in state and federal courts, including the area of telecommunications. With the passage of the Federal Telecommunications Act in 1996, Ms. LaValle became centrally involved in high profile state and federal regulatory proceedings impacting the expansion of competition in the communications industry. Ms. LaValle served as lead outside counsel in pivotal arbitration proceedings establishing interconnection agreement terms permitting competitive local exchange companies to enter and expand their presence within the local service market. The results of the arbitration are widely regarded in the industry today as having laid the foundation for local competition in areas of policy, operational detail, and standards.
- d. Ann Benolken, Former Partner: Billing rate \$545 per hour. While at Jackson Walker L.L.P., Ms. Benolken focused her practice on mergers and acquisitions, private and public offerings of debt and equity financings, technology transfers, strategic alliances and general corporate law. Ms. Benolken represented private and public companies as well as investors and key executives. She served clients in a broad range of industries, including renewable energy, software, semiconductor, technology, telecommunications, construction, entertainment, health care, real estate and security companies. Because of her extensive in-house experience, Ms. Benolken routinely served the firm's clients in an outside general counsel capacity. Prior to joining the firm, Ms. Benolken was the Senior Vice President and General Counsel of a start-up broadband-based security and telehealth company. She was a member of the executive team responsible for strategic planning and critical decisions. She previously served as General Counsel of a mid-sized telecommunications company. During her tenure there, Ms. Benolken successfully negotiated and closed the sale of the company.
- e. Marvin E. Sprouse III, Partner: Billing rate \$465 per hour. Mr. Sprouse has been practicing bankruptcy and reorganization law since 1998. Mr. Sprouse's practice consists of the representation of financial institutions, landlords, and other creditors in bankruptcy, workout/restructure, and litigation matters, including collections and garnishment. He also represents companies purchasing assets out of bankruptcy. He has represented clients before bankruptcy courts in every

district in Texas and in jurisdictions nationwide, including Delaware, New York, Florida, Nevada and California.

- f. Emilio Nicolas, Associate: Billing rate \$395/\$425 per hour. Mr. Nicolas represents and counsels a variety of individuals and businesses on matters involving entertainment, media and intellectual property. His practice includes intellectual property and general commercial litigation, entertainment and media transactions, and intellectual property rights management. He has litigated a variety of disputes in state and federal court, including film, music, copyright, trademark, right of publicity, defamation, and restraint of trade. He has also handled inter-party and ex parte trademark proceedings before the United States Patent and Trademark Office.
- g. Sally Hartman, Associate: Billing rate \$290/\$345 per hour. Ms. Hartman is an associate in the Tax and Corporate & Securities sections at Jackson Walker. In her practice, Ms. Hartman emphasizes problem-solving, thoroughness, and a commitment to delivering exceptional client service. Ms. Hartman has experience in a broad range of matters, from corporate tax structuring to private wealth planning. Ms. Hartman is thoroughly well versed in both federal and state and local taxation, and has assisted with international and oil and gas transactions, entity structuring, private equity offerings and complex intellectual property planning.
- h. Jennifer F. Wertz, Associate: Billing rate \$285/\$325 per hour. Ms. Wertz is an associate in the Bankruptcy section at Jackson Walker. Prior to joining Jackson Walker, Ms. Wertz was a judicial term law clerk for Judge H. Christopher Mott, U.S. Bankruptcy Court, Western District of Texas, where she researched and prepared multiple bench memoranda; drafted rulings and orders; and reviewed motions, pleadings, and forms of orders.
- i. Andrew Solomon, Associate: Billing rate \$285 per hour. Mr. Solomon is an associate in the corporate & securities section at Jackson Walker. His practice includes assisting clients in debt and equity securities offerings, mergers and acquisitions and general corporate governance issues. He has represented and advised clients in a number of diverse industries including entertainment, real estate, retail, media and technology. Mr. Solomon routinely serves clients of the firm in an outside general counsel capacity, advising on general legal matters, coordinating the work of other professionals and counseling senior management on business strategy. Additionally, Mr. Solomon also assists clients with the preparation, review and negotiation of entertainment industry contracts, such as production, distribution and finance agreements for music, film, television and literary-related matters. He has advised new and established production companies in various types of investor-financing transactions for independent entertainment projects.
- j. Carole C. Thomas, Paralegal: Billing rate \$175/\$185 per hour. Ms. Thomas has been involved in the bankruptcy field since 1997, including one year with the U.S.

Bankruptcy Court for the Western District of Texas, Austin Division, and has extensive experience in the preparation and filing of schedules, statements and other documents required in debtor cases, and in the preparation and filing of bankruptcy pleadings.

Respectfully submitted,

JACKSON WALKER L.L.P.  
100 Congress Ave., Suite 1100  
Austin, Texas 78701  
(512) 236-2000  
(512) 236-2002 - FAX

By: /s/Patricia B. Tomasco

Patricia B. Tomasco  
State Bar No. 01797600  
(512) 236-2076 – Direct Phone  
(512) 691-4438 – Direct Fax  
Email address: [ptomasco@jw.com](mailto:ptomasco@jw.com)

Jennifer F. Wertz  
State Bar No. 24072822  
(512) 236-2247 – Direct Phone  
(512) 391-2147 – Direct Fax  
Email address: [jwertz@jw.com](mailto:jwertz@jw.com)

**COUNSEL FOR THE DEBTORS**