



Honorable Mike K. Nakagawa
United States Bankruptcy Judge



Entered on Docket
September 21, 2016

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:)	Case No.: 09-17008-MKN
)	Jointly Administered with
JESUS MARTINEZ and MARCO CIRO)	Case No.: 09-17010-MKN
FLORES,)	Chapter 11
)	
Debtors.)	Date: July 18, 2016
)	Time: 9:30 a.m.

SUPPLEMENTAL ORDER ON MOTION FOR SANCTIONS FOR VIOLATION OF THE DISCHARGE ORDER¹

On August 19, 2016, the court entered its Order on Motion for Sanctions for Violation of the Discharge Order (“Sanctions Order”). (ECF No. 402). That order directed counsel for Jesus Martinez and Marco Ciro Flores (“Debtors”) to file an itemized billing state in support of its request for professional fees and costs.

On September 2, 2016, counsel for the Debtors filed its itemized billing statement for the period February 5, 2015 through July 18, 2016, as an attachment to its Application for Allowance of Compensation for Services Rendered and Reimbursement of Expenses (“Fee Application”). (ECF No. 413). On September 15, 2016, respondent Central Mortgage Corporation (“CMC”) filed its objections to the billing statement (“Objection”). (ECF No. 416).

The court has considered the Fee Application² and attached billing statement, as well as

¹ In this Order, all references to “ECF No.” are to the numbers assigned to the documents filed in the above-captioned case as they appear on the docket maintained by the clerk of the court.

² Attached to the Fee Application as part of Exhibit “1” is a cover sheet to the billing statements submitted by counsel. According to the cover sheet, counsel is not seeking recovery

1 the specific objections raised by CMC. Based on that consideration and a review of the specific
2 entries in the billing statement, the court concludes that the requested professional fees and cost
3 reimbursements should be reduced as follows:

- 4 1. The time entries and requested fees for the following dates will be disallowed as
5 encompassed by the prior order awarding fees and costs³ for the period prior to
6 February 5, 2015: March 2, 18, 27, 30 and 31, 2015.
- 7 2. The time entries and requested fees for the following dates will be disallowed as
8 services unattributable to the conduct of CMC: February 6, 2015; April 6, 15, and
9 21, 2015; June 29, 2015; July 2, 2015; July 20, 2015; October 15, 16 and 19,
10 2015; January 15 and 27, 2016; March 31, 2016; and April 22, 2016.
- 11 3. The following cost will be disallowed as unattributable to the conduct of CMC:
12 Oasis Reporting.
- 13 4. The following cost will be disallowed as unsupported by the corresponding time
14 entries in the billing statement: Westlaw research fees for June 2016.⁴

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18 of the fees attributable to a summer associate. The time entries for the summer associate are for
19 the following dates: June 20, 22, and 30, 2016; July 18, 2016.

20 ³ On April 2, 2015, an Order Granting Motion for Attorneys Fees and Costs was entered
21 (ECF No. 350), resolving the Debtors' Motion for Attorneys Fees and Costs (ECF No. 343), that
22 was heard on March 18, 2015.

23 ⁴ Computer research specific to a case is a reimbursable expense at the actual cost to the
24 law firm. See generally In re Ginji Corp., 117 B.R. 983, 995 (Bankr. D. Nev. 1990). In this
25 instance, however, the billing statement only reflects a disbursement of \$2,613.74 as "Westlaw -
26 June research fees." The billing entries for June 10, 15, 16, and 20, 2016, reflect only 6.6 hours
27 of legal research. Assuming that the billing statement reflects all of the legal research that was
28 conducted and that all of the legal research was conducted through Westlaw, the hourly rate for
use of Westlaw would have been approximately \$396.00. Assuming the disbursement was for a
Westlaw invoice encompassing only the month of June 2016, the charge is disproportionate,
especially because the hourly rate charged by Westlaw would have far exceeded the hourly rate
charged by the professional who performed the research. Services such as Westlaw and Lexis
are supposed to decrease the cost of providing legal services, not increase them. On this scant
record, the court will not transfer the cost to CMC.

1 5. The following cost will be reduced by one-half: Access Transcripts, LLC.⁵

2 The court will reduce the allowed fees and costs in accordance with these adjustments.

3 The court finds that the descriptions of the services rendered by Debtors' counsel are
4 sufficient for the court to understand the scope, necessity and time expended by the professionals
5 who provided the services. The court finds that the services rendered were not excessively
6 duplicative, if at all, and were necessary to counsel's representation of the Debtors. The court
7 also finds that the hourly rates charged by the identified professionals who provided services in
8 the case are appropriate, notwithstanding the lack of an objection by CMC.

9 **IT IS THEREFORE ORDERED** that the Order on Motion for Sanctions for Violation
10 of the Discharge Order, Docket No. 402, is supplemented by the award of \$46,621.00 as
11 attorneys fees and \$744.18 as costs advanced in favor of debtors Jesus Martinez and Marco Ciro
12 Flores.

13 **IT IS FURTHER ORDERED** that the actual damages and fine previously set forth in
14 the prior Order on Motion for Sanctions for Violation of the Discharge Order, Docket No. 402,
15 as well as the attorneys fees and costs set forth in the instant supplemental order, shall be paid by
16 Central Mortgage Corporation, **no later than 14 calendar days from the date of entry of this**
17 **supplemental order.**

18 **IT IS FURTHER ORDERED** that the payments required by this order shall be made
19 payable to and delivered to the law firm of Schwartz Flansburg PLLC as counsel of record for
20 debtors Jesus Martinez and Marco Ciro Flores.

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22
23 Copies sent to all parties via BNC and via CM/ECF ELECTRONIC FILING

24 Copies sent via BNC to:

25 JESUS MARTINEZ
26 2461 OLD FORGE LANE #104
LAS VEGAS, NV 89121

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28 ⁵ At the conclusion of the evidentiary hearing conducted on June 21, 2016, counsel represented that the costs of preparing an expedited transcript could be split.

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MARCO CIRO FLORES
2461 OLD FORGE LANE #104
LAS VEGAS, NV 89121

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