

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MASSACHUSETTS  
WESTERN DIVISION

_____	)	
In re	)	
	)	Chapter 11
ERVING INDUSTRIES, INC.,	)	Case No. 09-30623-HJB
et al.	)	(Jointly Administered)
	)	
Debtors	)	
_____	)	

**THIRD INTERIM APPLICATION FOR ALLOWANCE OF FEES AND  
REIMBURSEMENT OF EXPENSES OF ARGUS MANAGEMENT CORPORATION,  
FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS**





rendered and expenses incurred from September 1, 2010 through December 31, 2010, leaving a balance owed of \$7,570.95 for services rendered.

In support of its Application, Argus represents as follows:

1. On April 20, 2009 (the "Petition Date") Erving Industries, Inc., Erving Paper Mills, Inc. and ERSECO, Inc. (collectively, the "Debtors") filed separate voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code, United States Bankruptcy Court, District of Massachusetts. On October 2, 2009 Erving Realty Corp. filed a voluntary petition for relief in the United States Bankruptcy Court, District of Massachusetts.

2. On March 24, 2010 the Committee filed an Application For Authority To Employ Argus Management Corporation As Financial Advisor To The Official Committee Of Unsecured Creditors (the "Retention Application") (Doc. No. 260).

3. On April 19, 2010 the Court entered an Order approving the Retention Application (Doc. No. 285). A copy of the Order is attached hereto as Exhibit A.

4. Pursuant to MLBR 2016-1, Argus has attached a brief biography of the individuals who have rendered services to the Committee. These documents are attached as Exhibit B.

5. During the time period of September 1, 2010 through December 31, 2010, Argus Management Corporation rendered 70.10 hours of professional services, billed at an average hourly rate of \$306.09 for a total \$21,457.50 .

6. Argus seeks an allowance of fees for professional services in the amount of \$21,457.50, plus reimbursement for actual and necessary costs and disbursements of \$320.20, for a total amount of \$21,777.70.

7. The services performed by Argus during the time period covered by this Application are:

- reviewed the Debtors' monthly Operating Reports and analyzed the Debtors' financial information, financial statements and projections;
- communicated with Committee counsel to review the Debtors' financial performance;
- reviewed proposed settlement with Huntington National Bank and the Pension Benefit Guaranty Corporation to assess their impact on Chapter 11 plan negotiations;
- formulated various proposals for the treatment of allowed unsecured claims under a Chapter 11 plan of reorganization;
- met with the Committee to review the Debtors' operations and to formulate proposals for the treatment of general unsecured claims under a Chapter 11 plan of reorganization; and
- met with the Committee and the Debtors, and their respective advisors, to review the Debtors' operations and to negotiate the treatment of general unsecured claims under a Chapter 11 plan of reorganization.

8. Attached as Exhibit C to this Application are details of the services provided, the time expended, identification of the individual providing the services and their applicable billing rates.

9. The fees requested in this Fee Application represent reasonable compensation for actual and necessary services rendered in connection with representing the Committee's interests in these Chapter 11 cases, and will not be shared, pooled or divided with any other person or firm. As evidenced by Exhibit C, the services rendered by Argus have been sufficiently well defined so as to avoid duplication of professional services. The time spent by Argus is summarized in Exhibit D and the expenses incurred are itemized in Exhibit E.

WHEREFORE, Argus Management Corporation respectfully requests the entry of an Order awarding fees in the amount of \$21,457.50 plus \$320.20 as reimbursement for expenses

incurred for a total allowance of \$21,777.70 for the period of September 1, 2010 to December 31, 2010 and for such other and further relief as the Court deems just and proper.

ARGUS MANAGEMENT CORPORATION

By: /s/ John Haggerty\*

John Haggerty, Managing Partner

\*Attorney Tetler represents that Mr. Haggerty has approved this document and has authorized Attorney Tetler to execute Mr. Haggerty's signature electronically.

DATED: February 14, 2011





**SERVICE LIST**

**Erving Industries, Inc. et al., Debtor  
Chapter 11, Case No. 09-30623-HJB**

Erving Industries, Inc.  
97 East Main Street  
Erving, MA 01344-9717  
**Debtor**  
(via first class mail)

Erving Paper Mills, Inc.  
97 East Main Street  
Erving, MA 01344-9717  
**Debtor**  
(via first class mail)

ERSECO, Inc.  
97 East Main Street  
Erving, MA 01344-9717  
**Debtor**  
(via first class mail)

Erving Realty Corp.  
97 East Main Street  
Erving, MA 01344-9717  
**Debtor**  
(via first class mail)

Henry E. Geberth Jr., Esq.  
Hendel & Collins, P.C.  
101 State Street  
Springfield, MA 01103-2006  
**Counsel to Debtor**  
(via ECF)

Philip J. Hendel, Esq.  
Hendel & Collins, P.C.  
101 State Street  
Springfield, MA 01103-2006  
**Counsel to Debtor**  
(via ECF)

George I. Roumeliotis  
Hendel & Collins, P.C.  
101 State Street  
Springfield, MA 01103-2006  
**Counsel to Debtor**  
(via ECF)

TD Bank, N.A.  
c/o Steven Weiss, Esq.  
James B. Sheils, Esq.  
Shatz, Schwartz and Fentin, P.C.  
1400 Main Street, Suite 1100  
Springfield, MA 01103  
**Counsel to TD Bank, N.A.**  
(via ECF)

DK Trading Corp., Inc.  
41 Marshwood Bnd  
Clarks Summit, PA 18411-9174  
(via First class mail)

Recycle America  
6255 Sheridan Drive  
Suite 412  
Williamsville, NY 14221-4836  
(via First class mail)

Hercules, Inc.  
Customer Service Dept.  
Wilmington, DE 19894-0001  
(via First class mail)

Albany International  
P.O. Box 1109  
Albany, NY 12201-1109  
(via First class mail)

Clinton Recycling & Converting  
2 Pullman Street  
Worcester, MA 01606-3311  
(via First class mail)

First Capital Fibers  
PO Box 867  
York, PA 17405  
(via First class mail)

Nalco Company  
1 Park West Circle  
Suite 102  
Midlothian, VA 23114-5551  
(via First class mail)

Ashland Distribution Co.  
5200 Blazer Parkway  
Dublin, OH 43017  
(via First class mail)

Canusa Hershman Recycling  
c/o Barry Feigenbaum, Esq.  
Rogin Nassau, LLC  
CityPlace I, 22nd Floor  
185 Asylum Street  
Hartford, CT 06103-3460  
(via First class mail)

Canusa Hershman Recycling  
9 Business Park Drive  
Unit #8  
Branford, CT 06405-2931  
(via First class mail)

United Paper Stock Company  
33 India Street  
Pawtucket, RI 02860-5521  
(via First class mail)

Mid-Atlantic Fibers, Inc.  
901 Park Drive  
Cherry Hill, NJ 43017  
(via First class mail)

Univar USA, Inc.  
One Colonial Road  
Salem, MA 01970  
(via First class mail)

American Independent Paper Mill  
15 South Depot Road  
Salem, MA 01970  
(via First class mail)

Invensys Systems, Inc.  
33 Commercial Street, C41-2k  
Foxboro, MA 02035-5309  
(via First class mail)

Sonoco Product Company  
65 Allison Lane  
West Springfield, MA  
01089-1984  
(via First class mail)

Kemira Water Solutions, Inc.  
c/o Mr. Roger Guathier  
4801 Southwick Drive  
Suite 200  
Matteson, IL 60443-2277  
(via First class mail)

Huhtala Oil  
198 Patriots Road  
East Templeton, MA 01438  
(via First class mail)

Mr. Lupe E. Stratton  
New England BPC  
P.O. Box 1100  
Albany, NY 12250-0001  
(via First class mail)

Comcast  
Box 6505  
Chelmsford, MA 01824  
(via First class mail)

Comcast  
P.O. Box 1577  
Newark, NJ 07101-1577  
(via First class mail)

Kaman Industrial Tech  
P.O. Box 2526  
213 West Wayne Street  
Fort Wayne, IN 46802-3605  
(via First class mail)

Eastern Analytical, Inc.  
25 Chenell Drive  
Concord, NH 03301-8539  
(via First class mail)

Eastern Bearing  
158 Lexington Street  
Waltham, MA 02452-4644  
(via First class mail)

National Grid  
c/o Joanne DeRose  
60 Brown Street  
North Adams, MA 01247  
(via First class mail)

Hydrite Chemical  
7300 W. Bradley Road  
Milwaukee, WI 53223-3338  
(via First class mail)

AT&T Mobility  
P.O. Box 6463  
Carol Stream, IL 60197-6463  
(via First class mail)

AT&T Mobility  
P.O. Box 53616  
Atlanta, GA 30353-6216  
(via First class mail)

TestAmerica Laboratories, Inc.  
53 Southampton Road  
Westfield, MA 01085-1582  
(via First class mail)

Town of Erving  
12 East Main Street  
Erving, MA 01344-9717  
(via First class mail)

Walker-Wellington Assoc.  
238 Pleasant Street  
Eliot, ME 03903-2147  
(via First class mail)

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155 Seaport Boulevard  
Boston, MA 02210-2604  
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**United States Trustee**  
(via first class mail)

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1441 Main St  
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Internal Revenue Service  
Bankruptcy Unit  
PO Box 21126  
Philadelphia, PA 19114-0326  
**Taxing Authority**  
(via first class mail)

Internal Revenue Service  
Bankruptcy Unit  
PO Box 7346  
Boston, MA 02203-7346  
**Taxing Authority**  
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MA Department Of Revenue  
Bankruptcy Unit  
PO Box 9564  
Boston, MA 02114-9564  
**Taxing Authority**  
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Pension Benefit Guaranty Corporation  
1200 K Street NW  
Washington, DC 20005-4025  
(via first class mail)

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Boston, MA 02210-3011  
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United States Of America/Dpt. Of Justice  
Environmental Enforcement Section  
1 Gateway Center, Suite 616  
Newton, MA 02458-2802  
(via first class mail)

National Grid  
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Senior Counsel  
201 Jones Road  
Waltham, MA 02451  
**Member of Creditors' Committee**  
Fax: (781) 907-1659  
(via first class mail)

Constellation NewEnergy, Inc.  
c/o Catherine Barron  
Counsel  
800 Boylston Street, 28th Floor  
Boston, MA 02199  
**Member of Creditors' Committee**  
Fax: (617) 772-7550  
(via first class mail)

Surpass Chemical Company, Inc.  
c/o Stephen Byrne  
Div. of Sales  
P.O. Box 4165  
1254 Broadway  
Albany, NY 12204  
**Member of Creditors' Committee**  
Fax: (518) 434-8135  
(via first class mail)

David J. Cohen  
Int. Bus. Rep.  
335 Green River Road  
Greenfield, MA 01301-9769  
**Member of Creditors' Committee**  
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Atlantic Coast Fibers, LLC  
c/o Joseph Gaccione  
Partner  
101 7th Street  
Passaic, NJ 07053  
**Member of Creditors' Committee**  
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Northstar Pulp & Paper Co., Inc.  
c/o David Goodman  
P.O. Box 1450  
Guion Street  
Springfield, MA 01101-1450  
**Member of Creditors' Committee**  
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Flynn Petroleum  
c/o Richard Lipson  
Sales Mgr. Div.  
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**Member of Creditors' Committee**  
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The Huntington National Bank  
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f/k/a First American Equipment Finance  
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United States Department of Justice  
Environmental Enforcement Section  
One Gateway Center - Suite 616  
Newton, MA 02458  
**On Behalf of the United States Army Corps of Engineers**  
(via ECF)

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(via ECF)

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**Counsel to The Huntington National Bank**  
(via ECF)

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Wellesley, MA 02481-4110  
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KeyBridge Associates, Inc.  
William Ware  
PO Box 982  
Framingham, MA 01701  
(via first class mail)

Fiduciary Counselors, Inc.  
700 12th Street, N.W.  
Washington D.C., 20005  
(via first class mail)

Diversified Investment Advisors, Inc.  
Riverside Center  
275 Grove Street, Ste. 2-300  
Newton, MA 02466  
(via first class mail)

Donald J. Troy, CPA  
Diccio, Gulman & Company, LLP  
150 Presidential Way, Ste. 150  
Woburn, MA 01801  
(via first class mail)

Brann & Isaacson, LLP  
184 Main Street  
PO Box 3070  
Lewiston, ME 04243  
(via first class mail)

# ARGUS MANAGEMENT CORPORATION

---

**Invoice No.** PCSOP03499  
**Invoice Date** October 4, 2010  
**Terms** Upon Receipt

Attn: George Tetler  
Bowditch & Dewey  
311 Main Street  
Worcester, MA 01615

RE: Erving Industries, Inc. (details attached)

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Invoice for the period September 1, 2010 through September 30, 2010

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<b>Consultant</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Jim Andrews	4.0	275.00	\$1,100.00
John Haggerty	7.0	375.00	2,625.00
<b>Total professional services rendered</b>			<u>3,725.00</u>

**Total costs** 126.20

**Total amount of this bill**

\$3,851.20

**Argus Management Corporation**  
**Time Detail - Erving Industries, Inc. et al**  
**9/1/10 - 9/30/10**

<b>Date</b>	<b>Time</b>	<b>Description</b>
9/1/10	<u>4.0</u>	Meeting with Creditor Committee and Debtor to discuss case and recent operating performance
	<b>4.0</b>	<b>Total - Jim Andrews</b>
9/1/10	2.0	Review analysis of Debtor's forecasted operating results and cash flow and reviewed Debtor's proposed plan and tentative settlement with PBGC and Huntington Bank in preparation for meeting with Creditor Committee counsel.
9/1/10	4.0	Meeting with Creditor Committee and Debtor to discuss case and operating performance.
9/24/10	<u>1.0</u>	Review Huntington Bank settlement and other matters.
	<b>7.0</b>	<b>Total - John Haggerty</b>

**Argus Management Corporation**  
**Expense Detail - Erving Industries, Inc. et al**  
**9/1/10 - 9/30/10**

**Jim Andrews**

Tolls	4.20
Mileage	<u>122.00</u>
<b>Grand Total</b>	<b><u><u>\$126.20</u></u></b>

# ARGUS MANAGEMENT CORPORATION

Invoice No. PCSOP03656  
Invoice Date December 2, 2010  
Terms Upon Receipt

Attn: George Tetler  
Bowditch & Dewey  
311 Main Street  
Worcester, MA 01615

RE: Erving Industries, Inc. (details attached)

Invoice for the period October 1, 2010 through November 30, 2010

Consultant	Hours	Rate	Amount
Jim Andrews	38.30	275.00	\$10,532.50
John Haggerty	13.80	375.00	5,175.00
<b>Total professional services rendered</b>			<u>15,707.50</u>

**Total costs** 70.00

**Total amount of this bill** \$15,777.50

Remit to:  
15 Keith Hill Road, Suite 100, Grafton, MA 01519  
P: (508) 839-1828 F: (508) 839-6665

**Argus Management Corporation**  
**Expense Detail - Erving Industries, Inc. et al**  
**10/1/10 - 11/30/10**

**Jim Andrews**

Mileage

70.00

**Grand Total**

\$70.00

**Argus Management Corporation**  
**Time Detail - Erving Industries, Inc. et al - John Haggerty**  
**10/1/10 - 11/30/10**

<b>Date</b>	<b>Time</b>	<b>Description</b>
10/1/10	4.0	Meeting with George Tetler, Jim Andrews, Dennis Emmett and Phil Hendel to discuss Debtors proposal for settlement with the general unsecured creditors.
10/4/10	0.5	Review and analyze Debtors proposal for settlement.
10/14/10	1.5	Review Debtors' revised proposal for settlement with the general unsecured creditors and discuss with Jim Andrews and George Tetler.
10/19/10	4.0	Meeting of Creditors Committee to discuss the Debtors' proposal and revised proposal for settlement with the general unsecured creditors. Discussion of terms for counter proposal to Debtor.
10/25/10	0.3	Review model to project Credit Committee counter proposal based on additional documentation received.
10/25/10	0.5	Review summary document of Creditor Committee counter proposal.
11/8/10	1.0	Preparation for meeting with George Tetler and Jim Andrews.
11/8/10	<u>2.0</u>	Meeting with Erving creditor committee, management and legal counsel.
	<b>13.8</b>	<b>Total - John Haggerty</b>

**Argus Management Corporation**  
**Time Detail - Erving Industries, Inc. et al - Jim Andrews**  
**10/1/10 - 11/30/10**

<b>Date</b>	<b>Time</b>	<b>Description</b>
10/1/10	3.8	Meeting with George Tetler, John Haggerty, Phil Hendel and Dennis Emmett to discuss Debtors proposal for settlement with the general unsecured creditors.
10/4/10	1.0	Review and analyze Debtors proposal for settlement and anticipated revisions.
10/4/10	0.7	Phone call with Dennis Emmett regarding Debtors proposal for settlement and other operating issues of Erving discussed at the meeting of professionals.
10/5/10	0.3	Phone call with Dennis Emmett regarding Debtors' Period 8 results and anticipated operating results for Periods 9 through 13.
10/5/10	1.8	Review Debtors' Period 8 Monthly Operating Reports.
10/6/10	1.3	Prepare analysis of Debtors' Period 8 operating results compared to other periods reported.
10/7/10	1.2	Prepare analysis of Debtors' Period 8 operating results compared to other periods reported.
10/7/10	0.6	Phone call and correspondence with Dennis Emmett regarding Debtors' revised proposal.
10/8/10	1.6	Prepare analysis of Debtors' Period 8 operating results compared to other periods reported.
10/14/10	2.7	Review and analyze Debtors' revised proposal for settlement with the general unsecured creditors .
10/14/10	0.3	Emails and correspondence regarding revised proposal.
10/18/10	1.9	Review Debtors' Period 9 Monthly Operating Reports.
10/18/10	2.2	Prepare analysis of Debtor's Period 9 operating results compared to other periods reported.
10/18/10	0.6	Prepare summary of Debtors' proposals based on meeting of professionals and follow up correspondence for meeting of the Creditors Committee.
10/19/10	4.0	Meeting of Creditors Committee to discuss the Debtors' proposal and revised proposal for settlement with the general unsecured creditors. Discussion of terms for counter proposal to Debtor.
10/20/10	1.1	Phone call with Dennis Emmett regarding Debtors' projected plan balance sheet upon emergence.
10/20/10	0.3	Review of correspondence and documentation provided by Debtor with respect to inquiries made regarding Debtors' projected plan balance sheet upon emergence.
10/20/10	0.9	Prepare model to project Credit Committee counter proposal based on terms discussed at October 19, 2010 meeting and follow up discussions with Debtor.
10/25/10	0.7	Review of additional correspondence and documentation provided by Debtor with respect to inquiries made regarding Debtors' projected plan balance sheet upon emergence, financial forecast and certain non-operating assets.
10/25/10	2.0	Update model to project Credit Committee counter proposal based on additional documentation received.
10/25/10	1.3	Prepare summary document of Creditor Committee counter proposal and provide to counsel.

**Argus Management Corporation**  
**Time Detail - Erving Industries, Inc. et al - Jim Andrews**  
**10/1/10 - 11/30/10**

<b>Date</b>	<b>Time</b>	<b>Description</b>
11/8/10	1.0	Preparation for meeting of Creditors Committee to discuss counter proposal.
11/8/10	2.0	Meeting of Creditors Committee with Debtor to discuss counter proposal for settlement of the general unsecured creditors.
11/10/10	4.7	Review Debtors' Period 10 MOR's and prepare analysis of Debtors' Period 10 operating results compared to other periods reported.
11/22/10	<u>0.3</u>	Read and review Debtors objection to Constellation Energy claim.
	<b>38.3</b>	<b>Total - Jim Andrews</b>

# ARGUS MANAGEMENT CORPORATION

**Invoice No.** PCSOP03771  
**Invoice Date** January 13, 2011  
**Terms** Upon Receipt

Attn: George Tetler  
Bowditch & Dewey  
311 Main Street  
Worcester, MA 01615

RE: Erving Industries, Inc. (details attached)

---

**Invoice for the period December 1, 2010 through December 31, 2010**

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<b>Consultant</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Jim Andrews	6.00	275.00	\$1,650.00
John Haggerty	1.00	375.00	375.00
<b>Total professional services rendered</b>			<u>2,025.00</u>

**Total costs** 124.00

**Total amount of this bill** \$2,149.00

Remit to:  
15 Keith Hill Road, Suite 100, Grafton, MA 01519  
P: (508) 839-1828 F: (508) 839-6665

**Argus Management Corporation**  
**Expense Detail - Erving Industries, Inc. et al**  
**12/1/10 - 12/31/10**

**Jim Andrews**

Mileage	121.00
Tolls	<u>3.00</u>
<b>Total</b>	<b><u>124.00</u></b>

**Argus Management Corporation**  
**Time Detail - Erving Industries, Inc. et al**  
**12/1/10 - 12/31/10**

<b>Date</b>	<b>Time</b>	<b>Description</b>
12/3/10	1.0	Draft memo to George Tetler regarding negotiation settlement options for the Creditors Committee
12/23/10	3.8	Review Debtors' Period 11 and Period 12 MOR's and prepare analysis of Debtors' Period 11 and Period 12 operating results compared to other periods reported
12/23/10	<u>1.2</u>	Preparation for upcoming meeting being scheduled with Debtor to discuss settlement. Update analysis of settlement options prepared earlier in month.
	<b>6.0</b>	<b>Total - Jim Andrews</b>
12/3/10	0.5	Review and discuss Jim's memo regarding negotiation settlement options.
12/23/10	<u>0.5</u>	Prepare for meeting with Debtor to discuss settlement options.
	<b>1.0</b>	<b>Total - John Haggerty</b>

**SCHEDULE D**

(September 1, 2010 -- December 31, 2010)

<u>Consultant</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
John Haggerty	21.80	\$375.00	\$8,175.00
Jim Andrews	48.30	\$275.00	\$13,282.50
<b>TOTAL</b>	<b>70.10</b>	<b>\$306.09</b>	<b>\$21,457.50</b>

**SCHEDULE E**

**DISBURSEMENT SUMMARY**

(September 1, 2010 -- December 31, 2010)

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Mileage	\$313.00
Tolls	\$7.20
<b>Total Disbursements</b>	<b>\$320.20</b>