

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MASSACHUSETTS  
WESTERN DIVISION

In re	)	Chapter 11, No. 09-30623-HJB
ERVING INDUSTRIES, INC.	)	
	)	
Debtor	)	
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In re	)	Chapter 11, No. 09-30624-HJB
ERVING PAPER MILLS, INC.	)	
	)	
Debtor	)	
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In re	)	Chapter 11, No. 09-30625-HJB
ERSECO, INC.	)	
	)	
Debtor	)	
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In re	)	Chapter 11, No. 09-31746-HJB
ERVING REALTY CORP.	)	
	)	
Debtor	)	

**FIFTH INTERIM APPLICATION OF**  
**SHATZ, SCHWARTZ AND FENTIN, P.C.**  
**AS COUNSEL TO TD BANK, N.A.**

Now comes Shatz, Schwartz and Fentin, P.C. ("Applicant"), and hereby makes its fifth interim application as counsel to TD Bank, N.A. in this case. In support thereof, Applicant

respectfully states as follows:

1. On April 20, 2009, the Debtors, EII, Paper, and ERSECO filed voluntary petitions seeking relief under the provisions of Chapter 11. On October 2, 2009, Erving Realty Corp. ("Realty") filed its Chapter 11 Petition. No Trustee or examiner having been requested or appointed, the Debtors continue to operate their business and manage their affairs as Debtors-in-Possession. Pursuant to an order issued by the Court, these cases are being jointly administered.

2. On May 1, 2009 the United States Trustee appointed an Unsecured Creditors Committee in this case (the "Committee").

3. The matters set forth herein constitute core proceedings, pursuant to 28 U.S.C. § 157(b)(2)(A).

4. EII is the parent company and the owner of 100% of the common stock of Paper ERSECO, and Realty. Together these entities operate as a unified business enterprise. EII employs 5 individuals who together manage the business operation. The business is conducted on real estate solely owned by EII.

5. Paper operates a paper making mill located in Erving, Franklin County, Massachusetts. The mill uses recycled waste paper, which after, bleaching, deinking, mashing, and drying is made into continuous rolls of tissue which are sold to finished good manufacturers who make a variety of paper products. The mill traditionally operates 24 hours a day, 7 days a week and employs approximately 120 employees. Paper owns all of the machinery and equipment used in the converting process with the exception of certain machinery and equipment leased from First American Equipment Finance.

6. TD Bank, N.A. (the "Bank") is the Debtor's primary secured lender. As of the date of the filing of the petition the approximate liabilities of the Debtors included: Secured Debt – of

approximately \$1,700,000.00, and two standby letters of credit issued by T.D. Bank, N.A. in the aggregate amount of \$380,000.00. The Debtors are co-borrowers pursuant to loan documents dated June 1, 2007 the Bank as amended. The documents as modified provide for a revolving line of credit in the amount of \$3,500,000 (three million, five hundred thousand dollars) and a fixed asset loan of \$750,000 (seven hundred fifty thousand dollars).

7. The loans are secured by all of the personal property owned by the Debtors including, but not limited to, all accounts, account receivables, inventory, general intangibles, equipment, deposit accounts, and their proceeds (the "Collateral").

8. As of the commencement of the cases, the principal assets of the business consisted of the following which were approximately:

Cash	\$2,000,000.00
Accounts Receivables	\$5,500,000.00
Inventory	\$1,200,000.00
Machinery, equipment, motor vehicles, office equipment, furniture and supplies	\$2,500,000.00
Other Assets, including life insurance policies, etc.	\$1,000,000.00
Real Estate	\$1,000,000.00

9. As a result of the forgoing, the Bank is an oversecured creditor, and its fees and expenses incurred in connection with the cases are reimbursable pursuant to 11 U.S.C. §506(b). The Bank's loan documents provide for reimbursement of fees and expenses incurred by the Bank.

10. On April 22, 2009 this Court entered an order approving the Debtor's motion for approval of procedures relating to compensation of professionals (the "Procedures Order"), a

copy of which is annexed hereto as Exhibit "A". Under the terms of the Procedures Order, Applicant has received 90 percent of the fees submitted from October 1, 2010 through December 31, 2010, and has recently submitted its bill for January 31, 2011.

11. This application represents a fifth interim application for services rendered by Applicant as counsel for the Bank, from October 1, 2010 to January 31, 2011.

12. This application is submitted in accordance with MLBR 2016-1.

13. Applicant has represented the interests of the Bank in connection with these Chapter 11 cases. Specifically, Applicant has negotiated with the Debtors over the use of cash collateral, and has monitored developments in the Debtors' Chapter 11 cases, such as the Debtors' progress with negotiating in changes to its collective bargaining agreements and termination of its pension plans, its settlement with Huntington Bank, and its settlement with Constellation New Energy, that will impact the Debtors' reorganization efforts.

14. In performing these services during the period covered by this application, Applicant spent a total of 20.9 hours, incurring time charges of \$7,117.00 and has incurred expenses of \$10.50. Copies of the invoices for services rendered from October 1, 2010 to January 31, 2011 are annexed hereto as Exhibit "B".

15. Annexed hereto as Exhibit "C" are biographical summaries of the members of Applicant who have performed material services in this case.

WHEREFORE, Shatz, Schwartz and Fentin, P.C. respectfully prays:

1. That this Court approve Applicant's fifth interim application for compensation as counsel to TD Bank, N.A. in the amount of \$7,117.00, plus expenses in the amount of \$10.50;

2. That this Court authorize the Debtors to make payment for the difference between

the amounts allowed and the amounts paid through the date of this application; and,

3. For such further relief as this Court deems just and proper.

Dated this 14<sup>th</sup> day of February, 2011

SHATZ, SCHWARTZ AND FENTIN, P.C.

By: /s/ Steven Weiss  
Steven Weiss, Esquire  
BBO# 545619  
Shatz, Schwartz and Fentin, P.C.  
1441 Main Street, Suite 1100  
Springfield, MA 01103  
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UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MASSACHUSETTS

In re ERVING INDUSTRIES, INC.  Debtor	) Chapter 11, No. 09-30623-HJB
In re ERVING PAPER MILLS, INC.  Debtor	) Chapter 11, No. 09-30624-HJB
In re ERSECO, INC.  Debtor	) Chapter 11, No. 09-30625-HJB

ORDER ON MOTION FOR ADMINISTRATIVE ORDER UNDER 11 U.S.C.  
§§105(a) AND 331 ESTABLISHING PROCEDURES FOR INTERIM  
COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS

At Worcester, in said District, on this 21<sup>st</sup> day of April, 2009.

Upon the Motion of ERVING INDUSTRIES, INC., ERVING PAPER MILLS, INC., AND ERSECO, INC., the Debtors and Debtors-in-Possession in the above matter, seeking the entry of an Order pursuant to §§105(a) and 331 of Title 11, establishing procedures for interim compensation and reimbursement of expenses of professionals employed in said case, after notice

EXHIBIT  
A

and opportunity for hearing, it appearing that the relief requested is in the best interest of the Debtors, their respective estates, and creditors, the Court having determined that the legal and factual basis in the Motion establishes just cause for the relief granted, it is hereby

ORDERED that the Motion is granted; and it is further

ORDERED that except as may be otherwise provided in orders of this Court authorizing the retaining of professionals, all professionals employed in these cases may seek interim compensation in accordance with the following procedure:

I. Submission and Monthly Statements

- a. On or before the twenty-fifth (25th) day of each month following the month for which compensation is sought, each Professional seeking compensation pursuant to the Administrative Fee Order shall serve a monthly fee and expense statement (the "Monthly Fee Statement") upon the following persons:

- A. Denis Emmett, CFO of Erving Industries, Inc., 91 East Main Street, Erving, Massachusetts;
- B. Hendel & Collins, P.C., 101 State Street, Springfield, Massachusetts;
- C. Counsel to any committee appointed to serve in this case;
- D. The Office of the United States Trustee, 446 Main Street, 14th Floor, Worcester, Massachusetts, Attn: Richard King;
- E. Counsel to any post-petition lenders or

their agents; and

F. Counsel to T.D. Banknorth, N.A.

**b. Content of Monthly Fee Statement**

Each Monthly Fee Statement shall contain an itemization of time spent and the applicable hourly rate. All timekeepers must maintain contemporaneous time entries in increments of one-tenth (1/10th) of an hour.

**c. Review Period**

Each person receiving a Monthly Fee Statement shall have twenty (20) days after service of the Monthly Fee Statement to review it and serve an objection (the "Objection Period").

**d. Payment**

In the absence of a timely served objection, the estate representative will promptly pay each Professional an amount (the "Interim Payment") equal to the lesser of (i) ninety percent (90%) of the fees and 100 percent (100%) of the expenses requested in the Monthly Fee Statement, or (ii) ninety percent (90%) of the fees and 100 (100%) of the expenses not subject to any partial objections.

**II. Objections**

- a. If any party objects to a Monthly Fee Statement, it must serve a written objection**

(the "Notice of Objection to Monthly Fee Statement") and serve it upon the Professional and each of the parties served with the Monthly Fee Statement as set forth above, so that the Notice of Objection to Monthly Fee Statement is received on or before the last day of the Objection Period.

- b. The Notice of Objection to Monthly Fee Statement must set forth the nature of the objection and the amount of fees and/or expenses at issue.
- c. If an estate representative receives an objection to a particular Monthly Fee Statement, the estate representative shall withhold payment of that portion of the Monthly Fee Statement to which the objection is directed, and shall promptly pay the remainder of the fees and disbursements in the percentages set forth above.
- d. If the parties to an objection are able to resolve their respective disputes(s) following the service of a Notice of Objection to Monthly Fee Statement, and the Professional and the objecting party serve upon each of the parties served with the Monthly Fee Statement as set forth above a statement indicating that the objection is withdrawn, in whole or in part, and describing in detail the terms of the resolution, then the estate representative shall promptly pay in accordance with the

percentages listed above that portion of the Monthly Fee Statement which is no longer subject to an objection.

- e. If the parties are unable to reach a resolution to the objection within twenty (20) days after service of the objection, the affected professional may either (a) move to compel the payment with the Court, together with a request for payment of the difference, if any, between the total amount of the Interim Payment sought and the portion of the Interim Payment as to which there is an objection (the "Incremental Amount"); or (b) forgo payment of the Incremental Amount until the next interim or final fee application, or any other date and time so directed by the Court, at which time it will consider and dispose of the objection, if so requested.
  - f. Neither an objection to a Monthly Fee Statement nor the failure to object thereto shall prejudice a party's right to object to any fee application on any ground.
  - g. Failure of a professional to timely serve a Monthly Fee Statement shall not prejudice such professional in seeking interim or final allowance of fees or expenses. Further, any Monthly Fee Statement served after the deadline for such Monthly Fee Statement shall be deemed served at the time that such professional serves a Monthly Fee Statement
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for the next subsequent period and shall be subject to the Objection Deadline for the Monthly Fee Statement for such subsequent period.

### III. Fee Applications

- a. Parties seeking compensation pursuant to an Administrative Fee Order shall file at four (4) month intervals or such other intervals directed by the Court ("Interim Period") an interim fee application. Each Professional seeking approval of its interim fee application shall file with the Court an interim application for allowance of compensation and reimbursement of expenses, pursuant to 11 U.S.C. §331, of the amounts sought in the Monthly Fee Statements issued during such period (the "Interim Fee Application").
- b. The Interim Fee Application shall comply with the mandates of the Bankruptcy Code, Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure and the Local Rules for the United States Bankruptcy Court for the District of Massachusetts.
- c. The Interim Fee Application must be filed within forty-five (45) days after the conclusion of the Interim Period.
- d. In the event any Professional fails to file an

Interim Fee Application when due, such Professional will be ineligible to receive further interim payments or fees or expenses under the Administrative Fee Order until such time as the Interim Fee Application is submitted.

- e. The pendency of a fee application, or a Court order that payment of compensation or reimbursement of expenses was improper as to a particular Monthly Fee Statement, shall not disqualify a professional from the further payment of compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court. Additionally, the pendency of an objection to payment of compensation or reimbursement of expenses will not disqualify a Professional from future payment of compensation or reimbursement of expenses, unless the Court orders otherwise.
  - f. Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall have any effect on the Court's interim or final allowance of compensation and reimbursement of expenses of any Professionals. All compensation is subject to final approval by the Court.
  - g. Counsel for each official committee may, in accordance with the foregoing procedure for monthly compensation and reimbursement to
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professionals, collect and submit statements of actual expenses incurred, with supporting vouchers, from members of the committee such counsel represents, provided, however, that such committee counsel ensures that these reimbursement requests comply with the applicable rules of those guidelines.

#### IV. Miscellaneous

- a. Any party may object to requests for payments made pursuant to the Administrative Fee Order for good cause, including, without limitation, that the estate representative has not timely filed monthly operating reports or remained current with its administrative expenses and 28 U.S.C. §1930 fees.
- b. The estate representative shall include all payments to Professionals on its monthly operating reports, including details of the amount paid to each Professional.
- c. All fees and expenses paid to Professionals are subject to disgorgement until final allowance by the Court.

and it is further

ORDERED that notice of interim and final fee applications shall be served on notice parties and all parties that have filed a Notice of Appearance with the clerk of this Court and who have requested such Notice. The notice parties shall be

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entitled to receive, both the Fee Application and Notice of Hearing therein (by ECF or by First Class Mail, as may be applicable) and all other parties entitled to Notice shall be entitled to receive only the Hearing Notice (by ECF or by First Class Mail, as may be applicable). Notice given in accordance with this paragraph shall be deemed sufficient and adequate and in full compliance with the applicable provisions of the Bankruptcy Code and the Federal and Local Bankruptcy Rules; and it is further

ORDERED that the Debtors shall include all payments to professionals on their monthly operating reports, detailed so as to state the amount paid to each professional; and it is further

ORDERED that professionals who received and hold pre-petition retainers are authorized to continue to hold such retainers as security and are not required to apply such retainer payments to Interim Fee Applications; and it is further

ORDERED that all time periods referred by this Order be calculated in accordance with Rule 9006(a); and it is further

ORDERED that this Court retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

  
HONORABLE HENRY J. BEROFF  
Bankruptcy Judge

**SHATZ, SCHWARTZ AND FENTIN, P.C.**

1441 Main Street Suite 1100  
 Springfield, MA 01103-1491  
 Telephone (413) 737-1131  
 Fax (413) 736-0375  
 Federal Tax ID # 04-2485418  
 November 10, 2010

TD Bank, N.A.  
 Mr. Brian Bourgoin  
 1441 Main Street, 7th Floor  
 Springfield, MA 01103

Invoice # 85584 JBS  
 Our File # TDB025 070173  
 Billing through 10/31/2010

**LOAN TO ERVING INDUSTRIES, INC.**

Balance forward as of invoice dated 10/18/10	\$9,342.80
Payments received since last invoice	\$4,615.65
Accounts receivable balance carried forward	\$4,727.15



**PROFESSIONAL SERVICES**

10/01/2010	SW	Review Debtors' motion to compromise claims with PBGC, settlement agreement; Email to client regarding same		
		\$350.00 / hr	0.50 hrs.	\$175.00
10/01/2010	SW	Email from H. Geberth regarding cash collateral stipulation		
		\$350.00 / hr	0.20 hrs.	\$70.00
10/04/2010	JBS	Telephone call from Brian regarding extension of line of credit; Telephone conference with Brian regarding cash collateral		
		\$350.00 / hr	0.60 hrs.	\$210.00
10/04/2010	SW	Call from and to H. Geberth regarding cash collateral issues; Review filed motion; Email to client regarding same		
		\$350.00 / hr	0.40 hrs.	\$140.00
10/05/2010	JBS	Prepare extension of Erving line of credit with modification; Prepare allonge; Letter to B. Bourgoin		
		\$350.00 / hr	1.00 hrs.	\$350.00
10/05/2010	SW	Commence preparation of fee application		
		\$350.00 / hr	0.80 hrs.	\$280.00
10/06/2010	JBS	Telephone conference with Attorney Hendel		
		\$350.00 / hr	0.20 hrs.	\$70.00
10/06/2010	SW	Call from Clerk regarding cash collateral hearing; Receive order		

TDB025 TD BANK (ERVING IND)

Invoice#85584

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		on motion to continue		
		\$350.00 / hr	0.30 hrs.	\$105.00
10/06/2010	SW	Review Debtors' motion to extend exclusivity; Email to client regarding same; Receive notice of hearing		
		\$350.00 / hr	0.40 hrs.	\$140.00
10/08/2010	JBS	Review material from B. Bourgoin regarding renewal of line of credit		
		\$350.00 / hr	0.10 hrs.	\$35.00
10/08/2010	SW	Review statements by Committee regarding motion to compromise with PBGC, motion to compromise (Huntington)		
		\$350.00 / hr	0.20 hrs.	\$70.00
10/08/2010	SW	Review Debtors' motion for substantive consolidation; Email to clients regarding same		
		\$350.00 / hr	0.40 hrs.	\$140.00
10/12/2010	SW	Review Period 9 MOR's; Email to client regarding same		
		\$350.00 / hr	0.30 hrs.	\$105.00
10/12/2010	SW	Continued preparation of fee application		
		\$350.00 / hr	0.40 hrs.	\$140.00
10/13/2010	SW	Review Debtors' withdrawal of motion to extend exclusivity; Call to H. Geberth regarding same; Email to clients regarding same		
		\$350.00 / hr	0.40 hrs.	\$140.00
10/14/2010	JBS	Telephone call from B. Bourgoin regarding allonge and extension of line		
		\$350.00 / hr	0.20 hrs.	\$70.00
10/14/2010	SW	Review order regarding withdrawal of motion to extend; Review committee statement in support of subs. consolidation		
		\$350.00 / hr	0.20 hrs.	\$70.00
10/15/2010	SW	Review Hendel Collins Fee Application		
		\$350.00 / hr	0.40 hrs.	\$140.00
10/18/2010	JBS	Letter to Attorney Hendel		
		\$350.00 / hr	0.10 hrs.	\$35.00
10/18/2010	SW	Final revisions to 4th application for approval of compensation		
		\$350.00 / hr	0.60 hrs.	\$210.00
10/19/2010	JBS	Telephone conference with Attorney Hendel		
		\$350.00 / hr	0.20 hrs.	\$70.00
10/19/2010	LAS	Finalize fourth interim application for compensation; Draft certificate of service; File with the court and serve the same		

TDB025	TD BANK (ERVING IND)	Invoice#85584	Page 3
	\$130.00 / hr	0.90 hrs.	\$117.00
10/25/2010	JBS	Review material from B. Bourgoin regarding extension of line of credit	
	\$350.00 / hr	0.10 hrs.	\$35.00
10/27/2010	JBS	Review court approvals for Huntington, PBGC settlements	
	\$350.00 / hr	0.20 hrs.	\$70.00
10/27/2010	SW	Review order approving compromise with Huntington; Email to client	
	\$350.00 / hr	0.20 hrs.	\$70.00
10/27/2010	SW	Receive miscellaneous hearing notices	
	\$350.00 / hr	0.20 hrs.	\$70.00
10/27/2010	SW	Receive order approving PBGC compromise; Email to clients regarding same	
	\$350.00 / hr	0.20 hrs.	\$70.00
10/28/2010	SW	Call to H. Geberth regarding status of disclosure statement and plan	
	\$350.00 / hr	0.20 hrs.	\$70.00
		<b>Total Fees</b>	<b>\$3,267.00</b>

**EXPENSES**

Photocopies			\$10.50
		<b>Total Expenses</b>	<b>\$10.50</b>

**Recap of Professional Services**

Sousa, Laura A	0.90	Hrs @	\$130.00 / hr	\$117.00
Sheils, James B.	2.70	Hrs @	\$350.00 / hr	\$945.00
Weiss, Steven	6.30	Hrs @	\$350.00 / hr	\$2,205.00
Total Fees	9.90	Hrs		\$3,267.00

**BILLING SUMMARY**

Total professional services	\$3,267.00
Total expenses incurred	\$10.50
Total of new charges for this invoice	<u>\$3,277.50</u>
Plus net balance forward	\$4,727.15
<b>Total Balance Now Due</b>	<b>\$8,004.65</b>

**SHATZ, SCHWARTZ AND FENTIN, P.C.**

1441 Main Street Suite 1100  
Springfield, MA 01103-1491  
Telephone (413) 737-1131  
Fax (413) 736-0375  
Federal Tax ID # 04-2485418  
December 14, 2010

TD Bank, N.A.  
Mr. Brian Bourgoin  
1441 Main Street, 7th Floor  
Springfield, MA 01103

Invoice # 85836 JBS  
Our File # TDB025 070173  
Billing through 11/30/2010

**LOAN TO ERVING INDUSTRIES, INC.**

Balance forward as of invoice dated 11/10/10	\$8,004.65
Payments received since last invoice	\$4,727.15
Accounts receivable balance carried forward	\$3,277.50

**PROFESSIONAL SERVICES**

11/08/2010	SW	Review period 10 MOR's; Tax returns; Forward to client \$350.00 / hr 0.30 hrs.	\$105.00
11/15/2010	SW	Review Debtor's objection to claim of CNE; Email to client regarding same \$350.00 / hr 0.40 hrs.	\$140.00
11/16/2010	SW	Review order granting relief for "distress termination" of pension plan \$350.00 / hr 0.20 hrs.	\$70.00
11/22/2010	JBS	Review material from Attorney Hendel; Letter to B. Bourgoin \$350.00 / hr 0.40 hrs.	\$140.00
11/29/2010	JBS	Telephone conference with Attorney Geberth regarding consolidation; Telephone conference with B. Bourgoin \$350.00 / hr 0.20 hrs.	\$70.00
11/29/2010	SW	Review info related to motion for substantive consolidation; Call to H. Geberth regarding same, and related issues (environmental, status of plan, etc.) \$350.00 / hr 0.50 hrs.	\$175.00
11/30/2010	JBS	Review material from Attorney Geberth regarding substantive consolidation; Letter to Attorney Geberth \$350.00 / hr 0.50 hrs.	\$175.00

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11/30/2010	SW	Call from Phil Hendel requesting concessions on interest charges; Call to B. Bourgoin regarding same		
		\$350.00 / hr	0.30 hrs.	\$105.00
			<b>Total Fees</b>	<b>\$980.00</b>

**EXPENSES**

**Total Expenses \$0.00**

**Recap of Professional Services**

Sheils, James B.	1.10	Hrs @	\$350.00 / hr	\$385.00
Weiss, Steven	1.70	Hrs @	\$350.00 / hr	\$595.00
Total Fees	2.80	Hrs		\$980.00

**BILLING SUMMARY**

Total professional services	\$980.00
Total of new charges for this invoice	\$980.00
Plus net balance forward	\$3,277.50
<b>Total Balance Now Due</b>	<b>\$4,257.50</b>

**SHATZ, SCHWARTZ AND FENTIN, P.C.**

1441 Main Street Suite 1100  
 Springfield, MA 01103-1491  
 Telephone (413) 737-1131  
 Fax (413) 736-0375  
 Federal Tax ID # 04-2485418  
 January 24, 2011

TD Bank, N.A.  
 Mr. Brian Bourgoin  
 1441 Main Street, 7th Floor  
 Springfield, MA 01103

Invoice # 86125 JBS  
 Our File # TDB025 070173  
 Billing through 12/31/2010

**LOAN TO ERVING INDUSTRIES, INC.**

Balance forward as of invoice dated 12/14/10	\$4,257.50
Payments received since last invoice	\$2,950.80
Accounts receivable balance carried forward	<u>\$1,306.70</u>

**PROFESSIONAL SERVICES**

12/02/2010	JBS	Telephone call from H. Geberth regarding status of plan and negotiation with CNE; Telephone conference with B. Bourgoin	\$350.00 / hr	0.50 hrs.	\$175.00
12/02/2010	SW	Confer with H. Geberth concerning status of plan, related issues; Email to client regarding same	\$350.00 / hr	0.40 hrs.	\$140.00
12/02/2010	SW	Prepare for and appear for hearing on fee applications, motion for consolidation	\$350.00 / hr	1.00 hrs.	\$350.00
12/03/2010	SW	Email to and from H. Geberth regarding cash collateral issues	\$350.00 / hr	0.20 hrs.	\$70.00
12/06/2010	SW	Review withdrawal of claim by Huntington Bank; Forward to client	\$350.00 / hr	0.20 hrs.	\$70.00
12/20/2010	SW	Email to H. Geberth regarding cash collateral	\$350.00 / hr	0.10 hrs.	\$35.00
12/22/2010	JBS	Review cash flow projections and MOR; Telephone conference with B. Bourgoin	\$350.00 / hr	0.50 hrs.	\$175.00

TDB025 TD BANK (ERVING IND) Invoice#86125 Page 2

12/22/2010	SW	Review cash collateral projections, period 12 MOR's; Email to B. Bourgoin regarding same	\$350.00 / hr	0.40 hrs.	\$140.00
12/23/2010	SW	Review Debtors' first omnibus objection to claims; Email to client	\$350.00 / hr	0.30 hrs.	\$105.00
12/27/2010	SW	Emails from and to H. Geberth regarding cash collateral stipulation	\$350.00 / hr	0.20 hrs.	\$70.00
12/28/2010	SW	Review draft cash collateral motion; Email to client	\$350.00 / hr	0.20 hrs.	\$70.00
12/29/2010	JBS	Review material from H. Geberth regarding cash collateral	\$350.00 / hr	0.40 hrs.	\$140.00
12/29/2010	SW	Confer with B. Bourgoin regarding cash collateral extension	\$350.00 / hr	0.20 hrs.	\$70.00
12/30/2010	SW	Response from client regarding cash collateral extension; Email to H. Geberth regarding same; Receive filed motion	\$350.00 / hr	0.30 hrs.	\$105.00
<b>Total Fees</b>					<b>\$1,715.00</b>

**EXPENSES**

**Total Expenses \$0.00**

**Recap of Professional Services**

Sheils, James B.	1.40	Hrs @	\$350.00 / hr	\$490.00
Weiss, Steven	3.50	Hrs @	\$350.00 / hr	\$1,225.00
Total Fees	4.90	Hrs		\$1,715.00

**BILLING SUMMARY**

Total professional services	\$1,715.00
Total of new charges for this invoice	<u>\$1,715.00</u>
Plus net balance forward	\$1,306.70
<b>Total Balance Now Due</b>	<b>\$3,021.70</b>

**SHATZ, SCHWARTZ AND FENTIN, P.C.**

1441 Main Street Suite 1100  
Springfield, MA 01103-1491  
Telephone (413) 737-1131  
Fax (413) 736-0375  
Federal Tax ID # 04-2485418  
February 14, 2011

TD Bank, N.A.  
Mr. Brian Bourgoin  
1441 Main Street, 7th Floor  
Springfield, MA 01103

Invoice # 86457 JBS  
Our File # TDB025 070173  
Billing through 01/31/2011

**LOAN TO ERVING INDUSTRIES, INC.**

Balance forward as of invoice dated 01/24/11	\$3,021.70
Payments received since last invoice	\$882.00
Accounts receivable balance carried forward	<u>\$2,139.70</u>

**PROFESSIONAL SERVICES**

01/05/2011	SW	Receive order approving continuation of cash collateral usage; Forward to client		
		\$350.00 / hr	0.30 hrs.	\$105.00
01/10/2011	JBS	Review material from H. Geberth, Esquire		
		\$350.00 / hr	0.80 hrs.	\$280.00
01/10/2011	SW	Call to H. Geberth re: Status of confirmation efforts; Conference with Attorney Jim Sheils re: same		
		\$350.00 / hr	0.40 hrs.	\$140.00
01/11/2011	SW	Review Debtors' motion to compromise claims with CNE; Email to client		
		\$350.00 / hr	0.40 hrs.	\$140.00
01/12/2011	SW	Emails from and to B. Bourgoin re: compromise with CNE		
		\$350.00 / hr	0.40 hrs.	\$140.00
01/21/2011	SW	Confer with H. Geberth on status of Debtors' plan of reorganization		
		\$350.00 / hr	0.20 hrs.	\$70.00
01/24/2011	SW	Review Committee statement in support of CNE compromise; Email to client regarding same		
		\$350.00 / hr	0.30 hrs.	\$105.00

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01/27/2011 SW Email from and call to H.Geberth re: agreement with Committee; Email to client re: same  
\$350.00 / hr 0.50 hrs. \$175.00  
**Total Fees \$1,155.00**

**EXPENSES**

**Total Expenses \$0.00**

**Recap of Professional Services**

Sheils, James B.	0.80	Hrs @	\$350.00 / hr	\$280.00
Weiss, Steven	2.50	Hrs @	\$350.00 / hr	\$875.00
<b>Total Fees</b>	<b>3.30</b>	<b>Hrs</b>		<b>\$1,155.00</b>

**BILLING SUMMARY**

Total professional services	<u>\$1,155.00</u>
Total of new charges for this invoice	\$1,155.00
Plus net balance forward	\$2,139.70
<b>Total Balance Now Due</b>	<b>\$3,294.70</b>

**BIOGRAPHIES - SHATZ, SCHWARTZ AND FENTIN, P.C.**

**STEVEN WEISS, ESQUIRE**

Steven Weiss is a partner at the firm of Shatz, Schwartz and Fentin, P.C., where his practice is concentrated in bankruptcy and creditor's rights. From August, 1986 through February, 1994, he was an associate and then a partner at the firm of Cooley, Shrair, P.C. He received his B.A. degree from Michigan State University in 1980, and his law degree from Boston University School of Law in 1984. Attorney Weiss has served as a law clerk to the Honorable Arthur J. Spector, United States Bankruptcy Judge, Eastern District of Michigan, Northern Division from 1984-1986. He has also been a member of the Panel of Chapter 7 Trustees for the District of Massachusetts since November, 1987.

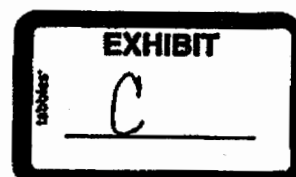
Mr. Weiss is the author of several articles which have appeared in publications such as The Annual Survey of Bankruptcy Law, The Banking Law Journal and The Robert Morris Journal. He is a member of the Massachusetts and Hampden County Bar Associates, the Commercial Law League of America, the National Association of Bankruptcy Trustees and the American Bankruptcy Institute ("ABI"), and the Turnaround Management Association. Mr. Weiss has conducted several seminars and workshops for the ABI and for Massachusetts Continuing Legal Education ("MCLE") on a variety of bankruptcy topics.

**ANN-MARIE LEWKOWICZ**

Ms. Lewkowicz has been with Shatz, Schwartz and Fentin, P.C. since July, 2004. She is a Paralegal to Steven Weiss, Esquire, where his practice is concentrated in bankruptcy and creditor's rights. Ms. Lewkowicz has 6 years prior legal experience.

**CHRISTINA M. CHARTIER**

Ms. Chartier is a bankruptcy paralegal who has been with Shatz, Schwartz and Fentin, P.C. She holds a Bachelors of Arts degree in Paralegal Studies as well as a Certificate of Advanced Paralegal Studies from Our Lady of The Elms College. She has been employed as a litigation paralegal since 1993.



**JAMES B. SHEILS**

Mr. Sheils, who has been a partner with the firm since 1986, Shareholder, since 1985, concentrates his practice in the areas of commercial finance law, creditors' rights, banking law, and telecommunications siting matters. Jim has been active within the Western Massachusetts communities for the past 30 years. He was recently awarded the "Distinguished Service Award," by Goodwill Industries of the Springfield/Hartford Area, Incorporated. Attorney Sheils has served as past chairman and is a member of the board of directors, Goodwill Industries of the Springfield/Hartford Area, Incorporated.

Attorney Sheils also serves as Town Moderator for the Town of East Longmeadow, MA and recently served as a panelist at the annual meeting of The Massachusetts Moderators Association.

Prior to attending law school, Jim was a radio disc jockey.

**LAURA SOUSA**

Ms. Sousa has been with Shatz, Schwartz and Fentin, P.C. since November, 2009. She is a Legal Assistant to Steven Weiss, Esquire, where his practice is concentrated in bankruptcy and creditor's rights.