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Proposed Attorneys for Debtor and
Debtor-in-Possession

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 No. Bk 24-00002
(Chapter 11)

MOTION FOR ORDER ESTABLISHING
INTERIM FEE APPLICATION AND
EXPENSE REIMBURSEMENT
PROCEDURES; DECLARATION OF
ALLISON A. ITO IN SUPPORT OF
MOTION

HEARING
DATE: [To be assigned]
TIME: [To be assigned]
Judge: Hon. Ramona Manglona



1 an extended period for payment, counsel is essentially compelled to finance the
2 reorganization. This result is improper and may discourage qualified practitioners from
3 participating in bankruptcy cases; a result that is clearly contrary to Congressional
4 intent.” United States Trustee v. Knudsen Corp. (In re Knudsen Corp.), 84 B.R. 668, 672
5 (9th Cir. B.A.P. 1988) (footnote omitted).
6

7 14. That Congressional intent is expressed unequivocally in the House and
8 Senate Reports accompanying enactment of the Bankruptcy Code:
9

10 The court may permit more frequent applications if the
11 circumstances warrant, such as in very large cases where
12 the legal work is extensive and merits more frequent
13 payments. The court is authorized to allow and order
14 disbursements to the applicant of compensation that is
15 otherwise allowable under section 330.

16 H.R. Rep. 595, 95th Cong., 1st Sess. 330 (1977); S. Rep. 989, 95th Cong., 2d Sess. 41-2
17 (1978).
18

19 15. The Debtor believes it appropriate for the Court to adopt the following
20 procedure for awarding interim compensation and reimbursement of expenses to all
21 Professionals employed at the expense of the estate in this case pursuant to an order of
22 this Court:
23

- 24 a. Professionals shall be authorized to serve upon the
25 Debtor, Office of the United States Trustee, and the
26 Committee (if and when one is formed)
27 (collectively, the “Notice Parties”), on a monthly
28 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

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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.
- d. To be eligible to receive payments under this interim compensation procedure, Professionals must file interim fee applications with the Court, not less than once every 120 days from the date of retention. Any interim application shall set forth the full amount of compensation and reimbursement of costs and expenses requested, including that previously paid. Failure to file interim fee applications in accordance with this procedure will disqualify the professional from seeking compensation on a monthly basis until the professional complies with this procedure.

16. Finally, the Debtor anticipates that members of any Committee may each incur out-of-pocket expenses associated with serving as a member of the Committee. The Debtor believes it is necessary and appropriate to establish a procedure for the reimbursement of such expenses. On a periodic basis, no more frequently than monthly, each representative of a Committee member (not to exceed one representative per

1 Committee member unless authorized in advance by the Debtor) shall serve upon the
2 Notice Parties an itemized statement setting forth the expenses for which reimbursement
3 is requested. The Debtor proposes to reimburse 100% of such expenses if they find the
4 statement is in order. Upon request of the Debtor, the person requesting reimbursement
5 shall be required to provide copies of the invoices or receipts for such expenses in excess
6 of \$100.00. Committee member expenses need not be approved pursuant to any interim
7 or final fee application process, unless necessary to resolve any pending objection to a
8 reimbursement request.
9
10

11 **CONCLUSION**

12 **WHEREFORE**, the Debtor requests that this Court enter an order
13 establishing interim fee application and expense reimbursement procedures as described
14 above, and for such other and further relief as this Court deems just.

15 DATED: Hagatna, Guam, April 23, 2024.

16
17 /s/ Charles H. McDonald II
18 CHUCK C. CHOI
19 ALLISON A. ITO
20 CHARLES H. MCDONALD II (F0494)
21 Proposed Attorneys for Debtor and
22 Debtor-in-Possession
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IN THE UNITED STATES BANKRUPTCY COURT

FOR THE NORTHERN MARIANA ISLANDS

BANKRUPTCY DIVISION

In re

IMPERIAL PACIFIC INTERNATIONAL
(CNMI), LLC,

Debtor and
Debtor-in-Possession.

BK. NO. 24-00002
(Chapter 11)

DECLARATION OF ALLISON A. ITO

DECLARATION OF ALLISON A. ITO

I, ALLISON A. ITO, hereby declare under penalty of perjury that:

1. I am an attorney duly licensed to practice before all courts of the State of Hawaii and before the United States District Court for the District of Hawaii, and am a partner in the law firm of Choi & Ito (the "Firm"), proposed bankruptcy counsel for IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC, debtor and debtor-in-possession ("Debtor"). I have personal knowledge of the facts stated herein and would competently testify thereto if called as a witness.

2. I have reviewed the Motion in Support of the Motion for Order Establishing Interim Fee Application and Expense Reimbursement Procedures (the "Motion"), and to the best of my knowledge, information and belief, the Debtor's retention of the Firm in this case would work a hardship on the Firm if it could only be paid on a tri-annual basis.

3. The Firm is comprised of two partners. Due to the size, nature, and complexity of this case, it is likely to involve both attorneys of the Firm for substantial

1 periods of the case. Similarly, proposed co-counsel McDonald Law Office is a two-
2 attorney law firm. Finally, the Law Offices of Michael Chen is a one-attorney law firm.

3 4. The proposed interim procedures have worked successfully in other cases
4 in this district, and the Firm has complied with similar interim procedures implemented in
5 other cases.

6 Dated: Honolulu, Hawaii, April 22, 2024.

7
8 /s/ Allison A. Ito
9 ALLISON A. ITO

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