

Lon A. Jenkins (USB #4060)
JONES WALDO HOLBROOK & McDONOUGH, PC
170 South Main Street, Suite 1500
Salt Lake City, Utah 84101
Telephone: (801) 521-3200
Email: lajenkins@joneswaldo.com

*Counsel to Unsecured Creditors' Committee for
Castle Arch Real Estate Investment Company, LLC.*

Peggy Hunt (USB #6060)
Nathan S. Seim (USB # 12654)
DORSEY & WHITNEY LLP
136 South Main Street, Suite 1000
Salt Lake City, Utah 84101
Telephone: (801) 933-7360
Email: hunt.peggy@dorsey.com
seim.nathan@dorsey.com

*Counsel for D. Ray Strong, Chapter 11
Trustee for Castle Arch Real Estate Investment
Company, LLC*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH**

	:	
	:	Bankruptcy No.11-35082 JTM
	:	
	:	Chapter 11
In re:	:	
	:	Honorable Joel T. Marker
CASTLE ARCH REAL ESTATE INVESTMENT COMPANY, LLC,	:	
Debtor.	:	JOINT REQUEST OF UNSECURED CREDITORS' COMMITTEE AND CHAPTER 11 TRUSTEE TO SUBMIT FOR DECISION APPLICATION FOR ALLOWANCE OF ATTORNEYS FEES AND COSTS FILED BY PRINCE YEATES & GELDZAHLER AS COUNSEL TO DEBTOR

The Official Unsecured Creditors' Committee for Castle Arch Real Estate Investment Company, LLC ("Committee") and the Chapter 11 Trustee, D. Ray Strong ("Trustee") hereby submit their Joint Request to Submit for Decision ("Request to Submit") the Application for Allowance of Attorneys' Fees and Costs filed by Prince Yeates & Geldzahler ("Fee Application"). In support of their Request to Submit, the Committee and the Trustee represent as follows:

1. On October 17, 2012, Prince Yeates & Geldzahler ("Prince Yeates") filed its Application for Allowance of Attorney Fees and Costs seeking allowance and payment of fees in the amount of \$234,891.00, together with reimbursement of costs in the amount of \$9,170.38 for its services performed in the case for the former debtor in possession, Castle Arch Real Estate Investment Company, LLC ("Debtor"). In its Fee Application, Prince Yeates proposed to be paid a portion of its fees from a \$100,000 retainer it holds, which retainer it received postpetition.

2. On November 5, 2012, both the Committee and the Trustee filed objections to the Fee Application (collectively, the "Objections"), objecting to both Prince Yeates' retention and application of its retainer and to the amount of fees requested.

3. A preliminary hearing to consider the Fee Application was held by the Court on November 15, 2012. At the hearing the Court urged the parties to meet to attempt to resolve their disputes and a recess was taken to allow the parties to discuss whether a resolution was even possible. Following the recess, the parties informed the Court that they would engage in

settlement negotiations on November 29, 2012, and that they would be amenable to mediating their dispute in the event that settlement discussions were unsuccessful. On that basis the Court continued the hearing on the Fee Application subject to renoticing. *See* Minute Entry dated November 15, 2012.

4. After the hearing, Mr. Affleck informed the parties that he believed settlement discussions would not be productive and that he wanted to go directly to mediation. Counsel for the Trustee and the Committee urged him to nevertheless meet on November 29, 2012 for settlement discussions.

5. Accordingly, on November 29, 2012, the Trustee, Ms. Hunt, Mr. Jenkins, Mr. Affleck, Mr. Cundick, and Mr. Morgan met to try to settle the disputes raised by the Objections. Settlement proposals were exchanged by the parties, but no agreement was reached at the meeting, nor have subsequent discussions resulted in a settlement.

6. The Trustee and his counsel, and counsel for the Committee believe, based on the positions of the parties, that a settlement is unlikely. They believe that mediation at this juncture will add an additional layer of time and cost to an already time-consuming and costly process and, regrettably, will likely not result in a consensual resolution. Therefore, the Trustee and the Committee believe it is in the best interests of the estate to forego the delay and expense associated with mediation and have the Court schedule a hearing on the Fee Application. The Trustee and Committee, of course, will defer to the Court's wishes and instruction, but they believe the most timely and efficient resolution will now come from a ruling by the Court. They ask that a hearing on the Fee Application be scheduled at a convenient time on the Court's calendar.

WHEREFORE, the Committee and the Trustee respectfully request that the Court schedule a hearing on the Fee Application at time convenient time for the Court and the parties.

DATED this 12th day of December, 2012.

**JONES WALDO HOLBROOK & McDONOUGH,
PC**

By: /s/ Lon A. Jenkins
Lon A. Jenkins (USB #4060)

*Counsel to Unsecured Creditors' Committee for
Castle Arch Real Estate Investment Company, LLC*

DORSEY & WHITNEY LLP

By: /s/ Peggy Hunt (with permission)
Peggy Hunt (USB #6060)
Nathan S. Seim (USB #12654)

*Counsel to D. Ray Strong, Chapter 11 Trustee for
Castle Arch Real Estate Investment Company, LLC*