



**Prior Monthly Fee Applications:**

<b>Application</b>		<b>Requested</b>		<b>Approved</b>	
Date Filed	Period Covered	Fees	Expenses	Fees	Expenses
N/A	N/A	N/A	N/A	N/A	N/A

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

In re:

**MUZAK HOLDINGS LLC, *et al.*,**<sup>2</sup>

Debtors.

Chapter 11

Case No. 09-10422 (KJC)

Jointly Administered

**FIRST MONTHLY FEE APPLICATION OF DORSEY & WHITNEY (DELAWARE)  
LLP, AS CO-COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS, FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR  
THE PERIOD FEBRUARY 23, 2009 THROUGH MARCH 31, 2009**

Dorsey & Whitney (Delaware) LLP, (“Dorsey” or the “Firm”), co-counsel to the Official Committee of Unsecured Creditors (the “Committee”), hereby submits this First Monthly Fee Application of Dorsey & Whitney (Delaware) LLP, as Co-Counsel to the Official Committee of Unsecured Creditors, for Compensation and Reimbursement of Expenses for the Period February 23, 2009, through March 31, 2009 (the “Application”). In support hereof, Dorsey respectfully represents as follows:

**INTRODUCTION**

1. On February 10, 2009 (the “Petition Date”), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Chapter 11 Cases”).

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<sup>2</sup> The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification, number, are: Muzak Holdings LLC (3730); Muzak Holdings Finance Corp. (3728); Muzak LLC (3729); Background Music Broadcasters, Inc. (3014); Muzak Capital Corporation (2302); MLP Environmental Music, LLC (6098); Business Sound, Inc. (9525); BI Acquisition, LLC (6049); Muzak Finance Corp. (7963); Electro-Systems Corporation (6059); Audio Environments, Inc. (4111); Telephone Audio Productions, Inc. (4894); Vortex Sound Communications Company, Inc. (3711); Muzak Houston, Inc. (9984); and Music Incorporated (3710). The location of the Debtors’ corporate headquarters and the service address for all the Debtors is: 3318 Lakemont Boulevard, Fort Mill, South Carolina 29708.

2. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner.

### **BACKGROUND**

3. On April 24, 2009, the Court entered the Amended Order Authorizing the Debtors to Establish Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Statutory Committee Members [Docket No. 252] (the “Administrative Order”) authorizing estate professionals and statutory committee members (the “Professionals”) to submit monthly applications for interim compensation and reimbursement for expenses, pursuant to the procedures specified therein.

4. On February 23, 2009, the Office of the United States Trustee for the District of Delaware appointed the seven-member Committee. See Docket No. 78. By order of the Court entered on April 16, 2009, the Committee retained Dorsey *nunc pro tunc* to February 23, 2009, as co-counsel to the Committee (the “Retention Order”) [Docket No. 240].

5. The Retention Order authorized the payment of Dorsey’s fees on an hourly basis and the reimbursement of Dorsey’s actual and necessary out-of-pocket expenses as administrative expenses of the Debtors’ estates.

### **APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

6. Subject to Court approval, Dorsey seeks payment for compensation on an hourly basis, plus reimbursement of actual, necessary expenses incurred by Dorsey during the Application Period. The rates charged by Dorsey in this case do not differ from the rates charged to Dorsey’s non-bankruptcy clients.

7. A summary of the hours spent, the names of each professional and paraprofessional rendering services to the Committee during the Application Period, the regular customary billing rates and the total value of time incurred by each of the Dorsey attorneys rendering services to the Committee is attached hereto as Exhibit A. A summary of the computer generated time entries reflecting the time recorded for these services, organized in project billing categories pursuant to Rule 2016-2(c)(ii) of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) is attached hereto as Exhibit B. A summary statement of expenses incurred by Dorsey during the Application Period is attached hereto as Exhibit C. All time entries and requested expenses are in compliance with Local Rule 2016-2.<sup>3</sup>

8. Pursuant to the Administrative Order, Dorsey and other professionals retained in this case are authorized to file and to serve upon the Notice Parties identified in the Administrative Order monthly fee applications (a “Monthly Fee Application”), pursuant to section 331 of the Bankruptcy Code, for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during the immediately preceding month (the “Compensation Period”). Pursuant to the Administrative Order, each Notice Party will have twenty (20) days after service of a Monthly Fee Application to object thereto (the “Objection Deadline”). Upon expiration of the Objection Deadline, the Professional may file a certificate of no objection with the Court after which the Debtors are authorized and directed to pay each professional an amount (the “Actual Monthly Payment”) equal to the lesser of (i) 80 percent (80%) of the fees and 100 percent (100%) of the expenses requested in the Monthly Fee Application (the “Maximum Monthly Payment”) and (ii) 80 percent (80%) of the fees and 100

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<sup>3</sup> Dorsey has also attempted to ensure that this Application complies with the Guidelines. To the extent the Guidelines conflict with local rules, in particular, Local Rule 2016-2, Dorsey has chosen to comply with such local rule. Dorsey will supplement this Application with additional detail or information upon request.

percent (100%) of the expenses requested in the applicable Monthly Fee Application that are not subject to an objection pursuant to subparagraph (c) of the Administrative Order.

9. In accordance with the Administrative Order, Dorsey has filed and served the Notice Parties identified in the Administrative Order this Application with respect to fees and expenses incurred during the Application Period; to wit, fees in the amount of \$17,942.50, and expenses in the amount of \$145.00 for the period commencing February 23, 2009, and ending March 31, 2009.

10. All services and costs for which compensation is requested by Dorsey in this Application were reasonable and necessary, and were performed for and on behalf of the Committee during the Application Period.

#### **SUMMARY OF SERVICES RENDERED**

All of the professional services that Dorsey rendered to the Committee during the Application Period are set forth in detail in Exhibit D, segregated according to project billing categories.

#### **REIMBURSEMENT OF EXPENSES**

11. During the Application Period, Dorsey incurred certain necessary expenses in rendering legal services to the Committee as summarized in Exhibit C and set forth in more detail in Exhibit D, segregated according to project billing categories.

12. Dorsey seeks reimbursement for its reasonable, necessary and actual expenses incurred during the Application Period in the total amount of \$145.00.

#### **COMPENSATION REQUESTED**

13. Dorsey expended 47.30 hours during the Application Period in furtherance of its efforts on behalf of the Committee. Dorsey requests allowance of compensation in the

amount of \$17,942.50, for legal services rendered during the Application Period at a blended hourly rate of \$379.33.

14. None of the requested fees and expenses detailed herein have been paid.

**LEGAL STANDARD**

15. Section 331 of the Bankruptcy Code permits professionals employed pursuant to Bankruptcy Court order to apply for interim compensation under the standards set forth in Section 330. Section 330(a)(1)(A) and (B) of the Bankruptcy Code allows the payment of:

- (A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, professional person, or attorney and by any paraprofessional person employed by any such person; and
- (B) reimbursement for actual, necessary expenses.

11 U.S.C. § 330(a)(1)(A) and (B). Reasonableness of compensation is determined by the “market-driven approach” which considers the nature, extent and value of the services provided by the professional and the cost of comparable services in nonbankruptcy contexts. See Zolfo Cooper & Co., v. Sunbeam-Oster Co., 50 F.3d 253, 258 (3d Cir. 1995); In re Busy Beaver Building Ctr., Inc., 19 F.3d 833, 849 (3d Cir. 1994). Thus, “the baseline rule is for firms to receive their customary rates.” Zolfo Cooper, 50 F.3d at 259.

16. In accordance with its practice in nonbankruptcy matters, Dorsey has calculated its compensation requested in this Application by applying its standard hourly rates. Dorsey’s calculation is based upon hourly rates that are well within the range of rates that are charged by comparable firms in other large bankruptcy cases. Accordingly, Dorsey’s rates should be determined to be reasonable under section 330 of the Bankruptcy Code.

17. Dorsey’s fees during the Application Period are also reasonable under the prevailing legal standard and should be allowed. The amount of Dorsey’s fees is not unusual

given the complexity and size of the Debtors' Chapter 11 cases and Dorsey's fees are commensurate with fees that other attorneys of comparable experience and expertise have charged and been awarded in similar Chapter 11 cases. It is submitted that Dorsey provided substantial benefit to the unsecured creditors and these estates, in addition to assisting the Committee and its members in participating in these proceedings and satisfying their fiduciary duties. Indeed, bankruptcy courts have recognized that it is imperative that the Committee be represented by competent and diligent counsel, because chapter 11 is a difficult and arcane process, filled with traps for the unwary and committee members cannot hope to fulfill their fiduciary duties without proper representation. *See In re Standard Steel*, 200 B.R. 511, 513 (Bankr. S.D.N.Y. 1996). Accordingly, Dorsey's fees are reasonable pursuant to section 330 of the Bankruptcy Code.

18. Section 330(a)(1)(B) of the Bankruptcy Code permits reimbursement for actual, necessary expenses. Dorsey's legal services and expenses incurred during the Application Period are set forth in this Application and constitute only those necessary expenses that were incurred for the benefit of unsecured creditors and the Debtors' estates. Dorsey has properly requested reimbursement only of actual, necessary and appropriate legal expenses.

19. No agreement or understanding exists between Dorsey and any third person for the sharing or division of compensation. All of the services for which compensation is requested in this Application were rendered at the request of and solely on behalf of the Committee.

20. Pursuant to the standards set forth in sections 330 and 331 of the Bankruptcy Code, Dorsey submits that the compensation requested is for actual and necessary services and expenses, and is reasonable, based upon the nature, extent and value of such services, the time

spent thereon, and the costs of comparable services in a case under the Bankruptcy Code. The time records annexed to this Application constitute only a general statement of the services rendered and time expended without description of the challenges and constraints under which Dorsey actually rendered these services. The challenge of these cases were attended to and managed by Dorsey at all levels, promptly and expertly. Dorsey submits, therefore, that its fees and expenses were actual, necessary, reasonable, and justified, and should be allowed in full.

### **NOTICE**

21. No trustee or examiner has been appointed in these Chapter 11 cases. Notice of this Application has been given to: (i) the Debtors, Muzak Holdings LLC, 3318 Lakemont Blvd., Fort Mill, South Carolina 29708, Attn.: Michael F. Zendan, II, Esq.; (ii) counsel for the Debtors, Kirkland & Ellis LLP, 153 East 53<sup>rd</sup> Street, New York, New York, 10022, Attn.: Joshua A. Sussberg; (iii) co-counsel for the Debtors, Klehr, Harrison, Harvey, Branzburg & Ellers LLP, 919 Market Street, Suite 1000, Wilmington, Delaware 19801, Attn.: Domenic Pacitti and Michael Yurkewicz; (iv) the Office of the United States Trustee for the District of Delaware, Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn.: David Klauder; (v) counsel to the statutory committee of unsecured creditors, Akin Gump Strauss Hauer & Feld LLP, Robert S. Strauss Building, 1333 New Hampshire Avenue, N.W., Washington, D.C. 20036-1564, Attn.: David M. Dunn; and (vi) counsel to the *ad hoc* group of term loan lenders, Bingham McCutchen LLP, One Federal Street, Boston, MA 02110-1726, Attn.: Andrew J. Gallo. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is required.

### **NO PRIOR REQUEST**

22. No prior request for the relief sought in this Application has been made to this or any other court.

23. WHEREFORE, Dorsey respectfully requests that the Court: (i) grant the Application; and (ii) grant such further relief as may be appropriate.

Dated: April 24, 2009

DORSEY & WHITNEY (DELAWARE) LLP

/s/ Eric Lopez Schnabel  
Eric Lopez Schnabel (DE Bar No. 3672)  
Robert W. Mallard (DE Bar No. 4279)  
DORSEY & WHITNEY (DELAWARE) LLP  
1105 North Market Street (16th Floor)  
Wilmington, Delaware 19801  
Telephone: (302) 425-7162  
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E-mail: [schnabel.eric@dorsey.com](mailto:schnabel.eric@dorsey.com)

Co-Counsel for the Official Committee of  
Unsecured Creditors

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

In re:

**MUZAK HOLDINGS LLC, *et al.*,**<sup>4</sup>

Debtors.

Chapter 11

Case No. 09-10422 (KJC)

Jointly Administered

**CERTIFICATION**

1. Eric Lopez Schnabel, an attorney admitted to practice before the courts of the State of Delaware, certifies that:

2. I am a partner of Dorsey & Whitney (Delaware) LLP (“Dorsey”). Dorsey was retained by the Official Committee of Unsecured Creditors of the above-captioned debtors and debtors-in-possession as co-counsel pursuant to an order of this Court. This certification is made in support of the First Monthly Fee Application of Dorsey & Whitney LLP, Co-Counsel to the Official Committee of Unsecured Creditors for the Period February 23, 2009, through March 31, 2009 (the “Application”) for compensation and reimbursement of expenses, and is made in compliance with Local Rule 2016-2 of this Court, setting forth the Contents of Application for Compensation and Expenses (the “Guidelines”).

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<sup>4</sup> The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are: Muzak Holdings LLC (3730); Muzak Holdings Finance Corp. (3728); Muzak LLC (3729); Background Music Broadcasters, Inc. (3014); Muzak Capital Corporation (2302); MLP Environmental Music, LLC (6098); Business Sound, Inc. (9525); BI Acquisition, LLC (6049); Muzak Finance Corp. (7963); Electro-Systems Corporation (6059); Audio Environments, Inc. (4111); Telephone Audio Productions, Inc. (4894); Vortex Sound Communications Company, Inc. (3711); Muzak Houston, Inc. (9984); and Music Incorporated (3710). The location of the Debtors’ corporate headquarters and the service address for all the Debtors is: 3318 Lakemont Boulevard, Fort Mill, South Carolina 29708.

3. I have read the Application and I certify that the Application substantially complies with the Guidelines.

Dated: April 24, 2009

DORSEY & WHITNEY (DELAWARE) LLP

/s/ Eric Lopez Schnabel  
Eric Lopez Schnabel (DE Bar No. 3672)  
Robert W. Mallard (DE Bar No. 4279)  
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1105 North Market Street (16th Floor)  
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Telephone: (302) 425-7162  
Facsimile: (302) 335-0830  
E-mail: [schnabel.eric@dorsey.com](mailto:schnabel.eric@dorsey.com)

Co-Counsel to the Committee

# **EXHIBIT A**

**EXHIBIT A – TIMEKEEPER SUMMARY**

**February 23, 2009 Through and Including March 31, 2009**

<b><u>Name of Professional Individual</u></b>	<b><u>Position with Dorsey and Year of Obtaining License(s) To Practice</u></b>	<b><u>Hourly Billing Rate</u></b>	<b><u>Total Billed Hours</u></b>	<b><u>Total Compensation</u></b>
Eric Lopez Schnabel	Partner; admitted DE 1998, PA 2000, NJ 2000	\$495.00	16.80	\$8,316.00
Robert Mallard	Associate; admitted DE 2002	\$335.00	27.10	\$9,078.50
Betsy D. Parker	Associate, admitted MN 2007	\$245.00	0.40	\$98.00
Judith White	Senior Legal Assistant	\$150.00	3.00	\$450.00
<b>Grand Totals:</b>			<b>47.30</b>	<b>\$17,942.50</b>
Blended Rate: \$379.33				

# **EXHIBIT B**

**EXHIBIT B – PROJECT SUMMARY**

**February 23, 2009 Through and Including March 31, 2009**

<b>PROJECT BILLING CATEGORY</b>	<b>HOURS</b>	<b>VALUE</b>
Business Operations	1.7	\$809.50
Case Administration	19.8	\$6,606.00
Claims Administration and Objections	0.4	\$134.00
Employee Benefits/Pensions	0.8	\$396.00
Fee/Employment Applications	15.4	\$6,371.00
Fee Employment Objections	0.4	\$198.00
Financing	2.6	\$1,255.00
Meeting of Creditors	5.6	\$1,876.00
Plan and Disclosure Statement	0.6	\$297.00
<b>TOTAL COMPENSATION</b>	<b>47.3</b>	<b>\$17,942.50</b>

TOTAL HOURS:	47.3
BLENDED RATE:	\$379.33
TOTAL COMPENSATION:	\$17,942.50
TOTAL EXPENSES INCURRED:	\$145.00
<b>TOTAL</b>	<b>\$18,087.50</b>

# **EXHIBIT C**

**EXHIBIT C - EXPENSE SUMMARY**

**February 23, 2009 Through and Including March 31, 2009**

<b>EXPENSE BILLING CATEGORY</b>	<b>VALUE</b>
Messenger Charges	\$45.00
<i>Pro Hac Vice</i> Filing Fee 3/29/09 (R. Ozols)	\$25.00
<i>Pro Hac Vice</i> Filing Fee 3/29/09 (D. Harris)	\$25.00
<i>Pro Hac Vice</i> Filing Fee 3/29/09 (J. Savin)	\$25.00
<i>Pro Hac Vice</i> Filing Fee 3/29/09 (A. Qureshi)	\$25.00
<b>TOTAL</b>	<b>\$145.00</b>

# **EXHIBIT D**

**EXHIBIT D - INVOICES**

**(See attached.)**



DELAWARE OFFICE  
302-425-7171

(Tax Identification No. 20-5240826)

STATEMENT OF ACCOUNT FOR PROFESSIONAL SERVICES

Muzak Holdings Official Comm Unsecured Creditors  
c/o Eric Lopez Schnabel  
Dorsey & Whitney (Delaware) LLP  
1105 N. Market Street  
Wilmington DE 19801

April 24, 2009  
Invoice No. 1571807

Client-Matter No.: 486379-00001  
Delaware Counsel Representation

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**For Legal Services Rendered Through March 31, 2009**

**INVOICE TOTAL**

Total For Current Legal Fees	\$17,942.50
Total For Current Disbursements and Service Charges	\$145.00
<b>Total For Current Invoice</b>	<b>\$18,087.50</b>

For your convenience, please remit payment to the address below or we offer the option of remitting payment electronically by wire transfer. If you have any questions regarding this information, please contact the lawyer you are working with on this project or Dorsey's Accounts Receivable Department at 1-800-861-0760. Thank you.

Mailing Instructions:  
Dorsey & Whitney (Delaware) LLP  
1105 North Market St  
Wilmington, DE 19801

Wire Instructions:  
Wilmington Trust  
1100 North Market St  
Wilmington, DE 19890

ABA Routing Number: 031100092  
Account Number: 2943-0381

Please make reference to the invoice number

Service charges are based on rates established by Dorsey & Whitney. A schedule of those rates has been provided and is available upon request. Disbursements and service charges, which either have not been received or processed, will appear on a later statement.

**ALL INVOICES ARE DUE 30 DAYS FROM DATE OF INVOICE**



DELAWARE OFFICE  
302-425-7171

(Tax Identification No. 20-5240826)

STATEMENT OF ACCOUNT FOR PROFESSIONAL SERVICES

Muzak Holdings Official Comm Unsecured Creditors  
c/o Eric Lopez Schnabel  
Dorsey & Whitney (Delaware) LLP  
1105 N. Market Street  
Wilmington DE 19801

April 24, 2009  
Invoice No. 1571807

**Client-Matter No: 486379-00001**

**Delaware Counsel Representation**

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**For Legal Services Rendered Through March 31, 2009**

03/19/09	B. Parker	File creditors committee's application to retain Akin Gump as co-counsel (.2); file creditors committee's application to retain FTI Consulting, Inc. (.2)	0.40	98.00
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**98.00**

**BUSINESS OPERATIONS**

02/27/09	R. Mallard	Review response to utility motion filed by City of Roseville, CA and forward to Akin Gump	0.20	67.00
03/06/09	E. Schnabel	Review critical vendor motion (.3); e-mails with D. Dunn regarding update on critical vendor motion (.1)	0.40	198.00
03/06/09	E. Schnabel	Review lien claim notice from Debtors and supporting documentation	0.20	99.00
03/09/09	E. Schnabel	Review lien claim notice from Debtors and supporting documentation	0.20	99.00

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**ALL INVOICES ARE DUE 30 DAYS FROM DATE OF INVOICE**

Muzak Holdings Official Comm Unsecured Creditor  
 Client-Matter No.: 486379-00001  
 Invoice No.: 1571807

April 24, 2009  
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**BUSINESS OPERATIONS**

03/10/09	E. Schnabel	Review Debtors presentation to Committee on financials	0.50	247.50
03/13/09	E. Schnabel	Review lien claim notice from Debtors and supporting documentation	0.20	99.00

**BUSINESS OPERATIONS**

**809.50**

**CASE ADMINISTRATION**

02/23/09	R. Mallard	Review docket and obtain information on case status and creditors for committee representation	1.00	335.00
02/23/09	E. Schnabel	Telephone conference with D. Dunn regarding status of case	0.20	99.00
02/24/09	R. Mallard	Additional review of first day pleadings (1.0); draft memo to E. Schnabel regarding status of case and capital structure of debtors (.6) review and obtain additional information on parties involved in case for conflicts checks (1.0)	2.60	871.00
02/25/09	R. Mallard	Office conference with E. Schnabel regarding drafting notice of appearance for committee counsel	0.10	33.50
02/25/09	R. Mallard	Office conference with E. Schnabel regarding drafting notice of appearance (.1); Draft notice of appearance for Muzak creditors committee (.6); draft email and forward to Akin Gump (.1)	0.80	268.00
02/25/09	E. Schnabel	Review first day pleadings and docket for status of the case (.5); conference with R. Mallard regarding case and entry of appearance (.1)	0.60	297.00
02/26/09	J. White	Co-ordinate preparation of checks to be written for pro hac vice motions (.2); set up pro hoc documents to be delivered to District Court and obtain receipt numbers	0.50	75.00

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April 24, 2009  
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**CASE ADMINISTRATION**

(.3)

02/26/09	R. Mallard	Multiple emails with M. Reagan regarding drafting and filing pro hac vice motions (.3); multiple emails with D. Dunn regarding revisions to notice of appearance (.2); revise notice of appearance (.2); review of docket to obtain additional case status information and service information (.4); multiple emails with Epiq regarding copy of current 2002 service list (.3); Draft J. Savin pro hac motion (.2); draft D. Dunn pro hac motion (.2); draft R. Ozols pro hac motion (.2); arrange for payment of District Court pro hac vice fee (.4)	2.40	804.00
02/26/09	R. Mallard	E-file D. Harris pro hac vice motion (.2); e-file R. Ozols pro hac vice motion (.2); e-file J. Savin pro hac vice motion (.2)	0.60	201.00
02/26/09	R. Mallard	Emails with M. Reagan regarding A. Qureshi pro hac vice motion (.1); draft pro hac motion and return to A. Qureshi for execution (.2)	0.30	100.50
02/26/09	R. Mallard	Revise service list with additional notice parties (.3); e-file certificate of service for Committee notice of appearance and serve the same (.3)	0.60	201.00
02/27/09	J. White	Co-ordinate pick up of fifth pro hac vice motion for delivery to District Court (.1); prepare letter to Judge Carey requesting his entry of all pro hac forms (.2); have letter and completed forms delivered to Judge's chambers (.2)	0.50	75.00
02/27/09	R. Mallard	Emails with Epiq regarding committee members list (.1); prepare A. Qureshi pro hac for payment of pro hac fee (.1); office conference with J. White regarding delivery of pro hac vice motions to	0.30	100.50

Service charges are based on rates established by Dorsey & Whitney. A schedule of those rates has been provided and is available upon request. Disbursements and service charges, which either have not been received or processed, will appear on a later statement.

**ALL INVOICES ARE DUE 30 DAYS FROM DATE OF INVOICE**

Muzak Holdings Official Comm Unsecured Creditor  
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 Invoice No.: 1571807

April 24, 2009  
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**CASE ADMINISTRATION**

chambers (.1)

02/27/09	R. Mallard	Teleconference with clerks office regarding cm/ecf email notice issues (.1); email to M. Reagan regarding the same (.1)	0.20	67.00
02/27/09	R. Mallard	Prepare A. Qureshi pro hac vice motion for filing (.1); efile A. Qureshi pro hac vice motion (.20); forward filed pro hac vice motion to A. Qureshi and to chambers (.1)	0.40	134.00
03/04/09	R. Mallard	Emails with M. Reagan regarding cm/ecf account issues (.2); review of signed orders approving pro hac vice motions for J. Savin, D. Dunn, R. Ozols, A. Qureshi and D. Harris (.2); draft email and forward signed pro hac vice orders (.1)	0.50	167.50
03/04/09	R. Mallard	Review of recently filed notices of appearance and add creditors to service lists (.5); review of HSBC 2019 notice (.1)	0.60	201.00
03/04/09	E. Schnabel	Telephone conference with D. Dunn regarding work-flow and upcoming hearing	0.20	99.00
03/09/09	R. Mallard	Review debtors' lien claim notice (.2); review docket for newly filed notices of appearance and update service lists (1.0); additional review of notice of agenda for 3/12/2009 hearing (.2); additional review of pleadings served via cm/ecf (.4)	1.80	603.00
03/10/09	E. Schnabel	Review agenda for hearing	0.30	148.50
03/11/09	J. White	Preparation of document and exhibit binder for March 12 hearing	2.00	300.00
03/12/09	E. Schnabel	Conference with D. Dunn and J. Savin regarding hearing and cash collateral issues	1.00	495.00
03/12/09	E. Schnabel	Attend omnibus hearing and pre/post	1.00	495.00

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**ALL INVOICES ARE DUE 30 DAYS FROM DATE OF INVOICE**

Muzak Holdings Official Comm Unsecured Creditor  
 Client-Matter No.: 486379-00001  
 Invoice No.: 1571807

April 24, 2009  
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**CASE ADMINISTRATION**

hearing conferences with debtors

03/16/09	R. Mallard	Review multiple notices of appearance and revise service lists	1.00	335.00
03/26/09	R. Mallard	Telephone conference with Daphne Clark regarding 2002 Service list issues and case status (.2); draft email and forward D. Clark bankruptcy court address and Epiq website address (.1)	0.30	100.50

**CASE ADMINISTRATION 6,606.00**

**CLAIMS ADMINISTRATION AND OBJECTIONS**

03/17/09	R. Mallard	Review email from creditor in Japan regarding proof of claim questions (.1); draft email and include copy of claim form, Epiq's website and Bankruptcy Court website addresses (.3)	0.40	134.00
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**CLAIMS ADMINISTRATION AND OBJECTIONS 134.00**

**EMPLOYEE BENEFITS/PENSIONS**

03/30/09	E. Schnabel	Review FTI and company presentations regarding KEIP	0.50	247.50
03/31/09	E. Schnabel	E-mails with D. Dunn and Committee regarding KEIP proposal	0.30	148.50

**EMPLOYEE BENEFITS/PENSIONS 396.00**

**FEE/EMPLOYMENT APPLICATIONS**

02/23/09	E. Schnabel	Review preliminary conflict check results	1.00	495.00
02/24/09	E. Schnabel	Review conflict check for Schnabel declaration (1.8); e-mails with D. Dunn	2.00	990.00

Service charges are based on rates established by Dorsey & Whitney. A schedule of those rates has been provided and is available upon request. Disbursements and service charges, which either have not been received or processed, will appear on a later statement.

**ALL INVOICES ARE DUE 30 DAYS FROM DATE OF INVOICE**

Muzak Holdings Official Comm Unsecured Creditor  
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 Invoice No.: 1571807

April 24, 2009  
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**FEE/EMPLOYMENT  
 APPLICATIONS**

regarding retention and upcoming events  
 (.2)

03/09/09	E. Schnabel	Review conflict results and revise application to retain Dorsey	1.00	495.00
03/13/09	R. Mallard	Review conflicts results and prepare list of names and list of potential hits to attached to Dorsey retention application (1.3); draft application to employ Dorsey as co-counsel to the committee( 1.3); draft notice of motion (.2); draft certificate of service (.2); draft declaration of E. Schnabel (.6)	3.60	1,206.00
03/16/09	E. Schnabel	Review and revise Dorsey retention application and Schnabel declaration	1.00	495.00
03/17/09	E. Schnabel	Final review of conflict checks for Schnabel disclosure statement (.7); review and revise Schnabel declaration (.3); conference with R. Mallard regarding revisions to application (.3);	1.30	643.50
03/18/09	R. Mallard	Review emails regarding committee conflicts check issues for filing of retention applications	0.20	67.00
03/18/09	E. Schnabel	Telephone conferences with R. Ozols regarding conflict checks (.3); review Debtors conflict list (.3); review Akin and FTI applications (.4)	1.00	495.00
03/19/09	R. Mallard	Emails and office conference with E. Schnabel regarding filing committee professionals retention applications (.3); review emails from Akin Gump regarding retention application issues (.2); prepare Dorsey retention application for filing (.5); e-file and serve Dorsey retention application (5); prepare and e-file notice of hearing on committee retention	2.00	670.00

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**FEE/EMPLOYMENT  
 APPLICATIONS**

applications (.3); serve Akin Gump and  
 FTI retention applications

03/19/09	E. Schnabel	E-mails with Akin regarding retention applications (.2); e-mails and conference with R. Mallard regarding filing and service of applications (.3)	0.50	247.50
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03/30/09	R. Mallard	Review Kirkland and Ellis fee application (.3); review declaration of disinterestedness filed by Weil Gotshal (.1); review Notice Regarding First Quarterly Report of Payment to Ordinary Course Professionals from February 10, 2009 Through March 31, 2009 (.20); review Declaration of Disinterestedness of Nicholas K. Rohner, Weltman, Weinberg & Reis Col, LPA (.2); review Declaration of Disinterestedness of Laurence F. Klurfeld, J. Frank Associates, LLC, d/b/a Joele Frank, Wilkinson Brimmer Katcher (.2) review Declaration of Disinterestedness of Jodi Jennings, Marsh USA (.2); review Declaration of Disinterestedness of Radhakrishnan Gurusamy, Technosoft Corporation (.2)	1.40	469.00
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<b>FEE/EMPLOYMENT APPLICATIONS</b>			<b>6,273.00</b>
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**FEE/EMPLOYMENT OBJECTIONS**

03/06/09	E. Schnabel	E-mails with D. Dunn regarding Moelis negotiations and proposal (.1); review application to retain Moelis (.3)	0.40	198.00
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<b>FEE/EMPLOYMENT OBJECTIONS</b>			<b>198.00</b>
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**FINANCING**

03/03/09	R. Mallard	Telephone conference with chambers regarding approval of extension of committee objection deadline for cash collateral motion (.1); emails to D. Dunn regarding the same (.1)	0.20	67.00
03/04/09	E. Schnabel	Review cash collateral order and budget (.9); e-mails with D. Dunn regarding cash collateral order and budget (.1)	1.00	495.00
03/06/09	E. Schnabel	E-mails with D. Dunn regarding update and proposal on cash collateral order	0.40	198.00
03/11/09	E. Schnabel	Review cash collateral order for hearing	0.30	148.50
03/12/09	E. Schnabel	Review cash collateral order and revisions thereto	0.70	346.50

**FINANCING**

**1,255.00**

**MEETINGS OF CREDITORS**

03/11/09	R. Mallard	Telephone conference with D. Harris regarding deadline to file Akin Gump retention application (.1); calculate deadline according to local rules (.1)	0.20	67.00
03/12/09	R. Mallard	Telephone conference with E. Schnabel regarding status of 3/12/2009 hearing and attending meeting of creditors (.1); review notice of meeting of creditors (.1);	0.20	67.00
03/12/09	R. Mallard	Attend Muzak 341 meeting of creditors	0.60	201.00
03/13/09	R. Mallard	Draft status email to D. Dunn regarding meeting of creditors	0.20	67.00
03/16/09	R. Mallard	Emails with D. Harris regarding filing of Garden City Group retention application (.3); draft notice of motion (.2); draft certificate of service (.2); Review and revise draft application (.3); efile and serve retention application (.5)	1.50	502.50

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**MEETINGS OF CREDITORS**

03/24/09	R. Mallard	Review of emails from D. Dunn regarding committee conference call agenda and materials	0.40	134.00
03/26/09	R. Mallard	Review emails from D. Dunn regarding agenda for committee conference call (.2); review of information in KEIP prepared by FTI in preparation for committee telephone conference (.5); attend telephonic committee meeting (1.8)	2.50	837.50

**MEETINGS OF CREDITORS** **1,876.00**

**PLAN AND DISCLOSURE STATEMENT**

03/30/09	E. Schnabel	E-mails with D. Dunn regarding plan proposal (.3); review plan proposal (.3)	0.60	297.00
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**PLAN AND DISCLOSURE STATEMENT** **297.00**

**Total for Legal Fees** **\$17,942.50**

**Disbursements and Service Charges**

Messenger Charges	45.00
Dorsey & Whitney LLP - Clerk, U.s. District Court - Pro Hac Vice Filing fee - R. Ozols, Esq 03/23/09	25.00
- Clerk, U.S. District Court - Pro Hac Vice Filing - Daniel Harris 03/23/09	25.00
Clerk, U.S. District Court - Pro Hac Vice Filing Fee - James R. Savin, Esq 03/23/09	25.00
Cler, U.S. District Court - Pro Hac Vice Filing Fee - Abid Qureshi, Esq 03/23/09	25.00

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**Total for Disbursements and Service Charges** **\$145.00**

**Total This Invoice** **\$18,087.50**

### Timekeeper Summary

<b>Timekeeper</b>	<b>Hours</b>	<b>Billed Rate</b>	<b>Amount</b>
R. Mallard	27.10	335.00	9,078.50
E. Schnabel	16.80	495.00	8,316.00
B. Parker	0.40	245.00	98.00
J. White	3.00	150.00	450.00
<b>Total all Timekeepers</b>	<b>47.30</b>		<b>17,942.50</b>

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