

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

IN RE: Lead Case No.: 12-30081-BKC-EPK
CLSF III IV, Inc., *et al.*, Chapter 7
Debtor. (Substantively Consolidated)

**TRUSTEE’S APPLICATION FOR APPROVAL OF EMPLOYMENT OF
TEEKENSKARSTENS, AS SPECIAL COUNSEL TO THE TRUSTEE,
NUNC PRO TUNC TO JANUARY 7, 2014**

Deborah C. Menotte, Trustee of the CLSF III IV, Inc., *et al.* bankruptcy estates, by and through undersigned counsel, pursuant to 11 U.S.C. § 327(a), moves for the entry of an order approving the employment of TeekensKarstens (“TK”), as special counsel to the Trustee, *nunc pro tunc* to January 7, 2014. In support of this Application, the Trustee relies on the *Declaration of Michiel Teekens, on Behalf of TeekensKarstens as Proposed Special Counsel for Trustee* (the “Teekens Declaration”), which is attached hereto as **Exhibit “A,”** and incorporated herein by reference, and respectfully represents as follows:

I. Jurisdiction

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue of this case and this Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

II. Background

2. On August 22, 2012 (the “Petition Date”), the above-captioned bankruptcy case was commenced by the filing of an involuntary petition for relief in this Court under Chapter 7 of the Bankruptcy Code against CLSF III IV, Inc. (the “Debtor”).

3. Thereafter, thirty-two affiliates (the “Affiliates”) of the Debtor (together with the Debtor, collectively, the “Debtors”) filed voluntary petitions for relief under Chapter 7 of the Bankruptcy Code between October 24, 2012 and November 7, 2012.

4. Deborah C. Menotte is the duly appointed and acting Chapter 7 Trustee of the Debtors’ estates.

5. On October 2, 2013, this Court entered the *Order Granting Trustee’s Second Amended Motion for Substantive Consolidation of the Jointly Administered Bankruptcy Estates* [ECF No. 561], which order served to substantively consolidate the Affiliates and certain non-debtor entities with the Debtor.

III. Relief Requested and Basis Therefor

6. The Trustee submits this Application for the approval of the employment of TK as her special counsel, pursuant to 11 U.S.C. § 327(a), for the purpose of representing the Trustee in connection with pursuing causes of action in Europe on behalf of the Debtors’ estates.

7. The Trustee has selected TK because it is qualified to act as special counsel in connection with pursuing causes of action in Europe.

8. The Bankruptcy Code allows the trustee, with the Court’s approval, to employ one or more attorneys “that do not hold or represent an interest adverse to the estate, and that are disinterested persons.” 11 U.S.C. § 327(a).

9. To the best of the Trustee’s knowledge, except as disclosed in the Teekens Declaration, neither Teekens nor TK has any connection with the creditors or other parties in interest or their respective attorneys. As set forth in the Teekens Declaration, to the best knowledge of Teekens, neither Teekens nor TK represents any interest adverse to the Debtors’ estate.

10. The Teekens Declaration, containing a verified statement as required under Rule 2014 of the Federal Rules of Bankruptcy Procedure, is attached and demonstrates that under these circumstances, Teekens and TK are disinterested as required by Section 327(a) of the Bankruptcy Code.

11. TK will apply for compensation and reimbursement of costs, pursuant to Sections 330 and 331 of the Bankruptcy Code, at his ordinary rates, as they may be adjusted from time to time, for services rendered and costs incurred on behalf of the Trustee.

WHEREFORE, the Trustee respectfully requests the entry of an Order in the form attached hereto as **Exhibit "B"** (i) approving the Trustee's employment of TK as special counsel to the Trustee in these cases, *nunc pro tunc* to January 7, 2014, for the purpose of pursuing causes of action in Europe; and (ii) granting such other and further relief as the Court deems just and proper.

Dated: April 29, 2014

Respectfully submitted,

BERGER SINGERMANN LLP
Counsel for Trustee
350 E. Las Olas Boulevard
Suite 1000
Fort Lauderdale, FL 33301
Telephone: (954) 525-9900
Facsimile: (954) 523-2872

By: /s/ Leslie Gern Cloyd
Leslie Gern Cloyd
Florida Bar No. 303305
lcloyd@bergersingerman.com

EXHIBIT "A"

(Teekens Declaration)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
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IN RE:

Lead Case No.: 12-30081-BKC-EPK

CLSF III IV, Inc., *et al.*,

Chapter 7

Debtor.

(Substantively Consolidated)

**DECLARATION OF MICHIEL TEEKENS, ON BEHALF OF TEEKENSKARSTENS AS
PROPOSED SPECIAL COUNSEL FOR TRUSTEE**

I, Michiel Teekens, declare and state as follows:

1. I am an attorney of the law firm of TeekensKarstens ("TK"). Our firm maintains offices for the practice of law in the Netherlands, with office locations at (i) Vondellaan 51, P.O. Box 201, 2300 AE Leiden, The Netherlands; and (ii) Postbus 402, 2400 AK Alphen aan den Rijn, The Netherlands. I am familiar with the matters set forth herein and make this declaration in support of the *Trustee's Application for Approval of Employment of TeekensKarstens, as Trustee's Special Counsel*, in the above-captioned case (the "Application").

2. I make this Declaration based in material part on my review of a list of the creditors of the Debtors.

3. TK's client and adverse party conflicts check system is comprised of records regularly maintained in the course of business of the firm, and it is the regular practice of the firm to make and maintain these records. It reflects entries that are noted in the system at the time the information becomes known by persons whose regular duties include recording and maintaining this information. I regularly use and rely upon the information contained in the system in the performance of my duties with the law firm and in my practice of law.

4. The Trustee has requested that I and TK advise and assist her connection with pursuing causes of action in Europe, and I and TK have consented to provide such services.

5. In connection with this proposed retention, I have researched my client database to determine whether our firm had any connections to the following entities: (a) the Debtors; (b) the creditors of the Debtors, as listed on the Court matrix provided to me by the Trustee; and (c) the list of foreign investors provided to me by the Trustee.

6. Other than as set forth in this declaration, TK neither holds nor represents any interest adverse to the Debtors and is a "disinterested person" within the scope and meaning of Section 101(14) of the Bankruptcy Code.

7. Neither I nor our firm has or will represent any other entity in connection with these cases, and neither I nor our firm will accept any fee from any other party or parties in these cases, except the Trustee, unless otherwise authorized by the Court.

8. TK is not a creditor of, and asserts no prepetition claim against, the Debtors.

9. The professional fees and costs incurred by TK in the course of its representation of the Trustee in these cases shall be subject in all respects to the application and notice requirements of 11 U.S.C. §§ 327, 330 and 331 and Fed. R. Bankr. P. 2014.

10. The currently hourly rates for the attorneys at TK range from € 420,- to € 150, and do not include 5% overhead and disbursement and possible Value Added Tax (VAT").¹ The hourly rate of Michiel Teekens, the attorney who will be primarily responsible for TK' representation of the Trustee, is € 300 (or \$414.00 – as of March 21, 2014). TK applies the following hourly rates based on the same exclusions:

a. Partners: € 420,-

¹ VAT is a consumption tax levied on goods and services in many countries, including Europe.
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- b. Senior Associates: € 300,-
- c. Junior Associates: € 225,-
- d. Paralegals: € 150,-

The terms and conditions apply to all efforts by the (employees of) TK as attached to this Declaration. The conditions contain a cap on liability to the amount our professional insurance policies (mandatory under our professional rules) provide for coverage. For attorney services the cap is € 4,5 (four and a half) million and for civil law notarial work the cap is € 50 (fifty) million. This is in accordance with the normal standards in The Netherlands and meets the professional rules.

There is no agreement of any nature, other than the shareholder agreement of our firm, as to the sharing of any compensation to be paid to the firm. No promises have been received by TK nor any member or associate thereof, as to compensation in connection with these cases, other than in accordance with the provisions of the Bankruptcy Code.

11. No attorney in our firm holds a direct or indirect equity interest in the Debtors, including stock or stock warrants, or has a right to acquire such an interest.

12. No attorney in our firm is or has served as an officer, director or employee of the Debtors within two years before the Petition Date.

13. No attorney in our firm is in control of the Debtors or is a relative of a general partner, director, officer or person in control of the Debtors.

14. No attorney in our firm is a general or limited partner of a partnership in which the Debtors are also a general or limited partner.

15. No attorney in our firm is or has served as an officer, director or employee of a

financial advisor that has been engaged by the Debtors in connection with the offer, sale or issuance of a security of the Debtors, within two years before the Petition Date.

16. No attorney in our firm has represented a financial advisor of the Debtors in connection with the offer, sale or issuance of a security of the Debtors within three years before the filing of the petition.

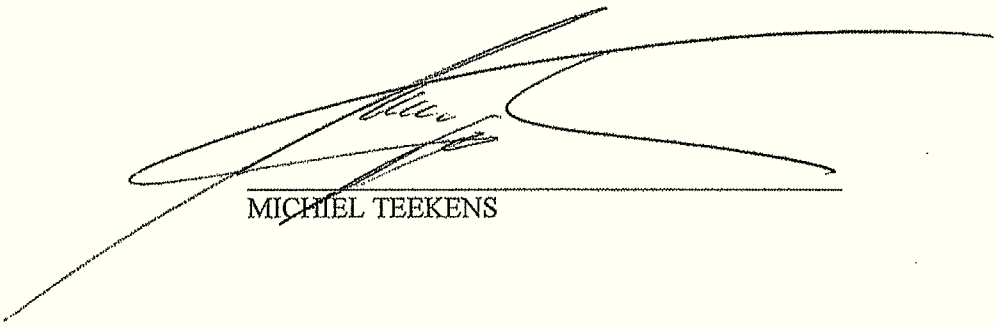
17. No attorney in our firm has any other interest, direct or indirect, that may be affected by the proposed representation.

18. Except as forth herein, no attorney in our firm has had or presently has any material connection with the captioned Debtors, the Debtors' creditors, any other party in interest or their respective attorneys and accountants, the United States trustee, or any person employed in the Office of the United States trustee, on any matters in which the firm is to be engaged, except that I, our law firm, and our attorneys (i) may have appeared in the past, and may appear in the future, in other cases in which one or more of said parties may be involved; and (ii) may represent or may have represented certain of the Debtors' creditors in matters unrelated to these cases.

19. This concludes my Declaration.

28 U.S.C § 1746 Declaration

I declare under penalty of perjury that the foregoing is true and correct. Executed on April 28, 2014.



MICHEL TEEKENS

Attachment 1



**General Terms and Conditions
TeekensKarstens advocaten notarissen,
with its registered office in Leiden,
version 2014.01**

1. In the following, TeekensKarstens shall mean: the limited liability company TeekensKarstens Advocaten B.V. (TKA) and/or the limited liability company liability TeekensKarstens Notarissen B.V. (TKN). Assignments to TKA and/or TKN are deemed to be separate assignments. In case a service level agreement with the client is entered into by TKA and TKN, jointly, the execution thereof shall take place by TKA and/or TKN, depending on the nature of the assignments resulting from the service level agreement.
2. These terms and conditions apply to all legal relationships between the client and (1) TKA and/or (2) TKN and/or (3) the trust for third-party accounts "Stichting Beheer Derdengelden TeekensKarstens advocatuur" in Leiden. In case a new version of these general conditions is issued, that new version will apply instead of the old version.
3. TKA and TKN shall each invoice the client separately in respect of their work and shall each be liable vis-à-vis the client only for their own assignment(s).
4. Articles 7:404 and 7:407 paragraph 2 of the Dutch Civil Code do not apply to TeekensKarstens.
5. Subject to the contrary agreed upon in writing, directors, shareholders, (intended) incorporators and partners of a legal entity or partnership are also deemed to be co-principals, in addition to the legal entity or partnership concerned. Each of the principals shares joint and several liability for the compliance with the obligations of the legal entity or partnership by or by whose order any order has been given to TeekensKarstens (including the order to set up a legal entity or partnership). The fact that billing is effected to only one or several of the principals does not alter this.
6. If the client fails to (timely) provide the information and/or documents required for the execution of the assignment, or fails in any other way to enable TeekensKarstens to execute the assignment or hinders the execution thereof, or if the client is in breach of its financial obligations or if it reasonable to assume that it will do so in the future, TeekensKarstens shall be entitled to suspend or terminate the assignment with immediate effect, without any obligation to pay compensation, refund retainers etc.
7. The liability of TeekensKarstens for damages, for whatever reason, shall be limited to the extent for which TeekensKarstens is covered by insurance in respect of those damages.
8. TeekensKarstens shall not be liable for damages caused by shortcomings on the part of external experts or third parties engaged by TeekensKarstens. Each instruction to TeekensKarstens implies the client's acceptance of any conditions set forth by the external experts or third parties concerned with the purpose of limitation of liability. TeekensKarstens is authorized to accept any liability limitation clauses of such third parties and external experts on the client's behalf.
9. Notice of liability must be preceded by a complaint submitted to the management of TeekensKarstens. The complaint must be submitted promptly after the reasons for the complaint have or should reasonably have become clear to the client, in writing and stating grounds, failing which TeekensKarstens shall not accept any liability. The right to hold TeekensKarstens liable and the right to any compensation shall lapse if a notice of liability is not submitted, in writing, within one month of the timely written notification of the complaint.
10. The client holds TeekensKarstens harmless against all claims from third parties, including reasonable costs of legal assistance, which are in any way connected with or the results of the work done by TeekensKarstens in the performance of the instruction.
11. TeekensKarstens shall retain sole and exclusive copyright to all documents and such prepared by it and/or supplied to the client or third parties.
12. The hourly rates of TeekensKarstens will be updated yearly as per January 1st and during the year if cost of business or other economic developments so require or professionals working on a case shift into another fee category due to developing experience.
13. If TeekensKarstens commences its work on a retainer basis, the retainer will not be compensated with interim invoices, but only with the final invoice. A possible remainder of the retainer will be reimbursed without interest.
14. Payment must be made within the terms for payment indicated on the invoices and, if no such period is indicated within fourteen days of the invoice date. Possible complaints about invoices must also be made within the terms for payment indicated on the invoice, in the absence whereof the right to complain lapses. In the absence of payment in good time, the client is in default and is due the statutory interest ("wettelijke handelsrente") according to article 6:119a of the Dutch Civil Code. In case of non-payment after demand for payment, the extrajudicial collection costs in accordance with the law on extrajudicial costs ("Wet Normering buitengerechtelijke incassokosten") will be due.
15. Amounts received by TeekensKarstens from the client shall be deemed to compensate first the costs due, then the interest due, while the remainder will be deducted from the oldest invoice, regardless of the purpose stated by the client.
16. The client hereby irrevocably authorises TKA and the trust for third-party accounts "Stichting Beheer Derdengelden TeekensKarstens advocatuur" to offset invoices relating to any matter that is being attended to by TeekensKarstens on its behalf or on behalf of its group entity(ies) against disposable balances held by the trust.
17. The assignment and all resulting obligations are governed by the laws of the Netherlands. The district court of The Hague shall have sole jurisdiction as to all disputes relating thereto. The internal TK Complaints and Dispute Regulation is applicable to every assignment.
18. Each of the shareholders of TeekensKarstens, its management, employees and/or any persons involved in the execution of any assignment by TeekensKarstens, may on its behalf invoke these general terms and conditions vis-à-vis the client, including the limitations on liability. Any liability on the side of TeekensKarstens will only affect TKA or TKN, as the case may be, but never one or more of TKA's or TKN's, as the case may be, employees and/or partners.
19. These general terms and conditions are available in Dutch, German and English. In the event of these versions are conflicting, the Dutch text shall supersede.

EXHIBIT "B"

(Proposed Order)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

IN RE: CASE NO.: 12-30081-BKC-EPOK
CLSF III IV, Inc., et al., Chapter 7
Debtor. (Substantively Consolidated)
_____ /

**ORDER APPROVING EMPLOYMENT OF TEEKENSKARSTENS, AS SPECIAL
COUNSEL TO THE TRUSTEE, NUNC PRO TUNC TO JANUARY 7, 2014**

THIS MATTER came before the Court on the _____ day of May, 2014, at _____ in West Palm Beach, Florida, upon the *Trustee's Application for Approval of Employment of TeekensKarstens, as Special Counsel to the Trustee, Nunc Pro Tunc to January 7, 2014* (the "Application") [ECF No. ____]. The Court, having considered the Application and the *Declaration of Michiel Teekens, on Behalf of TeekensKarstens as Proposed Special Counsel for Trustee*, attached to the Application as Exhibit "A" (the "Teekens Declaration"); finds that: (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (c) TeekensKarstens ("TeekensKarstens") (i) does not hold or represent any interest adverse to the Debtors' estates on any matter in which

TeekensKarstens is to be engaged; (ii) is disinterested as that term is defined pursuant to 11 U.S.C § 101(14) and as required by 11 U.S.C. §§ 327 and 328; (iii) has disclosed any connections with creditors and parties-in-interest; and (d) TeekensKarstens' employment as special counsel to the Chapter 7 Trustee, Deborah C. Menotte (the "Trustee") is necessary and would be in the best interests of the Debtors, the bankruptcy estates, and all parties-in-interest. Accordingly, it is

ORDERED as follows:

1. The Application is **APPROVED**.
2. None of the representations or engagements set out in the Teekens Declaration constitutes a conflict-of-interest or impairs the disinterestedness of TeekensKarstens or otherwise precludes the Trustee's retention of TeekensKarstens as special counsel in these cases.
3. The Trustee is authorized to employ, upon the terms and for the purposes set forth in the Application, TeekensKarstens as special counsel for the Trustee, *nunc pro tunc* to January 7, 2014.
4. Compensation of TeekensKarstens for services rendered and reimbursement of expenses incurred pursuant to this Order shall be awarded upon application and a hearing consistent with the requirements of 11 U.S.C. §§ 330 and 331.

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Submitted by:

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Fax (954) 523-2872
E-mail: lcloyd@bergersingerman.com

Copy furnished to:

Leslie Gern Cloyd, Esq.

(Attorney Cloyd is directed to serve a conformed copy of this Order upon all interested parties and to file a Certificate of Service with the Court).