Judge OKs $23.4M to Reorganize Winn-Dixie - Dec 2005 - (Forbes)

12.01.2005, 05:29 PM — A bankruptcy judge approved Thursday about $23.4 million in fees and expenses for attorneys and consultants working to reorganize the bankrupt supermarket chain Winn-Dixie Stores Inc.

U.S. Bankruptcy Judge Jerry Funk allowed the payments after naming a fee examiner, whose job it will be to reviews the fees charged by the law firms and consultants in the massive bankruptcy case and determine if they are proper.

Stuart Maue, a St. Louis auditing firm, will bill Winn-Dixie at a rate of $275 per hour for legal auditors, $150 per hour for assistant legal auditors and $175 per hour for systems personnel.

For most of the lawyers and consultants, their bills approved Thursday were for the period between June 1 and Sept. 30. In August, Funk approved fees and expenses of $15 million from February, when Winn-Dixie filed for reorganization, through the end of May.

Winn-Dixie reported a net loss of $691 million in fiscal year 2005, compared with $51 million loss in 2004. Winn-Dixie officials are working on a business plan they hope will help bring the supermarket chain out of reorganization.

The company also announced Wednesday it was postponing its annual meeting at the request of the equity committee appointed in its bankruptcy case. The meeting had been scheduled for Dec. 8. A new date has not been set.

Winn-Dixie announced plans earlier this year to close 326 stores and three distribution centers. Upon completion of its restructuring plan, it will operate 575 stores in Florida, Alabama, Louisiana, Georgia and Mississippi, plus 12 stores in the Bahamas.

Funk finished up the hearing by approving the hiring of two law firms to represent the equity committee. Although the creditors committee has filed a motion seeking to disband the equity committee, Funk ruled that their lawyers should be paid.

"I just hope there is something left after all is said and done," Funk said.

The hourly rates for attorneys and consultants have ranged from $110 to $825 an hour.

For more information about Stuart Maue's bankruptcy services, call us at 1-800-291-9940 or e-mail us at: info@smmj.com