

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Nickelson Plastics, Inc.

BKY 03-44930

Chapter 11 Case

Debtor.

**AMENDED NOTICE OF HEARING AND AMENDED APPLICATION FOR
ALLOWANCE OF FEES AND EXPENSES FOR SPECIAL COUNSEL FOR DEBTOR**

TO: The entities specified in Local Rules 2016-1 and 9013-3.

1. Nickelson Plastics, Inc. ("Applicant") moves the court for the relief requested below and gives notice of hearing.

2. The Court will hold a hearing on this Application at 1:30 p.m. on February 18, 2004, in Courtroom No. 7 West, at the United States Bankruptcy Court, at 300 South Fourth Street, Minneapolis, Minnesota.

3. Any response to this Application must be filed and delivered not later than February 11, 2003, which is seven days before the time set for hearing (excluding Saturdays, Sundays and holidays), or filed and served by mail not later than February 8, 2004, which is ten days before the date set for the hearing (excluding Saturdays, Sundays and holidays). **UNLESS A RESPONSE OPPOSING THE APPLICATION IS TIMELY FILED, THE COURT MAY GRANT THE APPLICATION WITHOUT A HEARING.**

4. The Court has jurisdiction over this Application under 28 U.S.C. §§ 157 and 1334 and Fed. R. Bankr. P. 5005. This proceeding is a core proceeding. The petition commencing this bankruptcy case was filed on July 9, 2003 ("Filing Date"). The case is now pending in this Court.

5. This Application arises under 11 U.S.C. §§ 330. This Application is filed under Fed. R. Bankr. P. 2016 and Local Rule 2016-1. Applicant requests allowance of compensation for professional services rendered and for reimbursement of expenses.

6. By Order dated August 11, 2003, Applicant was authorized to render services to the Debtor in this case. A copy of that Order is attached as Exhibit A.

7. To the best of Applicant's knowledge, Debtor is making all payments on post petition obligations as they become due and is not in arrears on any of its post petition obligations at this time.

8. To the best of Applicant's knowledge, all quarterly fees have been paid as required to the United States Trustee and all monthly operating reports have been filed by the Debtor.

9. The status of the Debtor's Chapter 11 case, including the filing of the Debtor's plan of reorganization is as follows: the plan was confirmed by order, dated December 18, 2003.

10. Applicant served a Notice of Hearing and Application For Allowance of Fees And Expenses for Special Counsel for Debtor on January 16, 2004. That application did not include time and expenses which Applicant had incurred but which had already been paid for by Debtor. That application also showed fees received as having been applied incorrectly. The total amount of omitted fees and expenses was \$2,340 . Applicant has incurred fees and expenses for services rendered to the Debtor in the amount of \$13,650 which is a \$2,340 increase over the amount previously shown. Fees as amended are listed by category of service in Exhibit B and detailed in Exhibit C. Items in bold type were previously omitted.

11. Applicant has been paid, per Instruction No. 8(c) of the Instructions for Filing a Chapter 11 Case, as follows:

07/09/03 Payment \$2,700 for 06/26/03 **Pre filing Invoice for pre filing services** in amount of \$2,700 (None of the services set forth in this Pre filing invoice are set forth below; this \$2,700 was previously stated in error as having been received on 10/1/03 as part of a \$5,040 payment.)

09/29/03 Payment \$1,872 for 09/09/03 **Post filing Invoice for post filing services** in amount of \$2,340.

01/05/04 Payment \$ 468 for 09/03/03 **Post filing Invoice for post filing services** unpaid balance.

12. From July 8, 2003 through January 12, 2004 (“Application Period”), Applicant has provided services to Debtor and Debtor has incurred fees as follows:

General Case Administration **\$5,790.00**

Services include preparation of corporate documents and communications regarding corporate needs and communications regarding general case matters.

Executory Contracts; Unexpired Leases; Use, Sale and Lease of Property **\$7,350.00**

Services include review, drafting and revisions to lease agreement, consulting agreement, and other lease/agreement negotiations.

Applications to Employ and Fee Applications **\$150.00**

Services include communications regarding application to employ special counsel.

Plan and Disclosure Statement **\$360.00**

Services include communications regarding plan and disclosure.

13. Applicant has not made any prior request for allowance of fees and costs.

14. The Debtor has received copies of the invoices underlying this Application.

15. All services for which compensation is requested by Applicant were performed for and on behalf of the Debtor and not on behalf of any committee, creditor or other person.

16. The Requested Fees constitute reasonable compensation for actual necessary services rendered by Applicant based on the nature, the extent and the value of such services, the time spent on such services and the cost of comparable services other than in a case under Title 11, and constitute reasonable expenses incurred on behalf of the Debtor.

17. Applicant has not entered into any agreement, express or implied, with any other party in interest including debtors, any creditor, receiver, trustee or any representative of any of them, or with any attorneys for such party in interest in the proceedings, for the purpose of fixing fees or other compensation to be paid to such party in interest in the proceedings for services rendered or expenses incurred in connection therewith from the assets of the estate in excess of the compensation allowed by law.

18. This Application has been provided to the Debtor for its review.

WHEREFORE, Applicant respectfully requests that the Court enter its Order:

(1) Allowing compensation to Estes Law Firm , P.A. in the amount of the Requested Fees and Expenses;

(2) Authorizing and directing the Debtor to remit the outstanding balance of the fees allowed Estes Law Firm, P.A.

ESTES LAW FIRM, P.A.

Dated: January 24, 2004

/e/ R. D. Estes
R. Donald Estes (27649)
4741 Fremont Avenue S
Minneapolis MN 55409
612-827-2000

VERIFICATION

I, R. Donald. Estes, of Estes Law Firm, P.A., the Applicant named in the foregoing Notice of Hearing and Application, declare under penalty of perjury that the foregoing is true and correct according to the best of my knowledge, information, and belief.

Dated: January 24, 2004

/e/ R. D. Estes
R. Donald Estes

EXHIBIT A

EXHIBIT B

**Nickelson Plastics, Inc.
Chapter 11
Case No. 03-44930**

SUMMARY OF FEES INCURRED

Description	Hours	Amount	Total
General Case Administration	19.3	5790.00	5790.00
Executory Contracts; Unexpired Leases; Use, Sale and Lease of Property	24.5	7350.00	7350.00
Applications to Employ and Fee Applications	0.50	150.00	150.00
Plan and Disclosure Statement	1.20	360.00	360.00
	45.5	13650.00	13650.00

Hourly Rates:

<u>Name</u>	<u>Position</u>	<u>Hourly Billing Rate</u>
R. Donald Estes	Attorney	\$300.00

Applicant certifies that its hourly rates are the same for both bankruptcy and non-bankruptcy matters. Applicant further certifies that its charges for expenses and disbursements are actual and necessary costs of the administration of the estate.

EXHIBIT C

General Case Administration

7/9/03	Calls to and from John Mathiesen re status of bankruptcy filing and what is needed from here on out.	0.50	150.00
7/24/03	Prepare for and attend meeting with John Mathiesen, David Nickelson, Darwin Voltin, Al Degiman and Bill Kampf.	2.60	780.00
7/25/03	Prepare Articles of Organization, Operating Agreement and First Minutes and send to John via email.	3.50	1050.00
7/27/03	Complete notice of shareholders meeting on August 7 and mail same. Complete affidavit of mailing.	1.90	570.00
8/4/03	Call from John Mathiesen concerning the need for a proxy for shareholders at meeting. Drafted simply proxy and emailed it to him.	0.40	120.00
8/5/03	Calls to Mary Cox about fee estimates.	0.20	60.00
8/7/03	Prepare for and attend shareholder meeting and followup on same. Make sure proper procedure was observed and that cumulative voting was understood by all shareholders in attendance.	5.30	1590.00
8/8/03	Call from Bill Kampf concerning the corporate issue of whether John Mathiesen can have any interest in a company which sells product to Nickelson Plastics. Reviewed corporate statute regarding "interested directors" and how to proceed. Called John with advice re same. Reviewed John's account of how the company now finds itself in a position wherein it has to buy plastic resin from a company that John owns.	2.50	750.00
10/3/03	Meeting with John to review distribution arrangements of company and determine how to clamp down on Versatek "rogue" distributor.	1.20	360.00
10/29/03	Sent contact information to John Mathisen re Trademark lawyer.	0.20	60.00
11/17/03	Calls to and from John Mathesen re update on status of filings, hearings.	0.50	150.00
1/6/04	Call Mike Daugherty to confirm my opinion re eminent domain clause being requested.	0.30	90.00
1/12/04	Call John Mathiesen re eminent domain and leave voicemail message.	0.20	60.00

Total this category		5790.00
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Executory Contracts; Unexpired Leases; Use, Sale and Lease of Property

7/8/03	Call from John concerning need for revised lease with an option to purchase at the end and also need for at will employment agreement.	0.50	150.00
7/21/03	Meeting with John re consulting agreement, Gametime agreement, Nickelson lease.	1.30	390.00
7/25/03	Email to Bill Kampf with supply agreement and LLC AOI.	0.40	120.00
7/28/03	Prepare consulting agreement for David Nickelson and email to James Baillee.	1.50	450.00
7/31/03	Correct notice of meeting to make it clear that cumulative voting is permitted.	0.90	270.00
8/1/03	Prepare draft of lease for Nickelson Plastics.	2.20	660.00
8/4/03	Call from John concerning status of discussions with Jim Baillee. Called Jim and left message trying to clarify that we did not need a meeting unless there were lots of points requiring negotiation. He returned call indicating that he had just forwarded it on to David Nickelson without reading it and if it is important to get done this week, he will have to have someone else do it. Call John at home and left message.	0.90	270.00
8/5/03	Call John Mathiesen re continuing status of negotiations on consulting agreement.	0.20	60.00
8/5/03	Call John for update on his discussions with David Nickelson concerning "earn in" potential. Encouraged John to stick to some sort of phantom stock arrangement in light of the fact that the payments would be deductible, more readily available and easier to measure if we simply look at a formula that realistically measures the difference. Calls to Jin Baillee and left message looking for followup on both agreements.	0.50	150.00
8/5/03	Review of Petition re Adequate Protection for Lakeside debt. Send comments to Mary Cox and John. Call John re same.	0.80	240.00
8/10/03	Review pleadings from Mary Cox which are going to be filed re Lakeside Plastics. Email to Mary Cox re same. Call John Mathiesen.	0.50	150.00
8/11/03	Calls to and from Mark Degler at 423-785-8360 regarding Spencer at Gametime/Playcor and our need to have a legally binding committment in order to commit to building in Ft. Payne	0.30	90.00

Alabama. Call John Mathiesen re same in order for him to know where we are on this. Mark will be out of the office until Wednesday AM.

8/12/03	Calls to and from John regarding Spencer and Gametime agreement.	0.30	90.00
8/13/03	Call John Mathiesen regarding status of discussions re Gametime.	0.30	90.00
8/14/03	Call Mark Degler at 423-785-8360 Gametime/Playcor to discuss the need for a legally binding commitment in order for us to be able to go forward on Alabama lease. He will get back to me. Told him that perhaps definitive agreement could happen after emerge from Bankruptcy. Emails to John Mathiesen and Bill Kampf re status.	0.60	180.00
8/14/03	Call and leave message for Jim Baillee concerning the consulting agreement and lease with David Nickelson. Call John.	0.20	60.00
8/14/03	Call from Bill Kampf and John Mathiesen re Gametime agreement. Call Mark Degner re same. Email to James Baillee re consulting agreement and lease.	0.50	150.00
8/15/03	Call from Mark Degler to say that Spencer has given the okay for him to proceed to use the Gametime agreement which we were previously working on. Emailed John and Mark Degler re same. Called John to advise of progress with agreement. Email from John concerning agreement with David Nickelson and who I should be dealing with.	0.50	150.00
8/18/03	Call from John concerning consulting agreement, phantom stock plan, lease with David Nickelson. Email to Jim Baillee regarding same items.	0.70	210.00
8/18/03	Call from John concerning progress being made by Mark Degler on Gametime Agreement. Emailed Mark and called him to determine status.	0.50	150.00
8/25/03	Call from John Mathiesen to update me on status of Gametime agreement, consulting agreement with David Nickelson and changes to Lease.	0.30	90.00
8/25/03	Incoming email regarding changes to lease and fact that modification would be better than new lease altogether. Respond to Mary Cox on this point. Make revisions to lease consistent with John Mathiesen's comments.	0.60	180.00
8/25/03	Draft personal guarantee needed for Lakeside Plastics, Inc.	0.70	210.00
8/25/03	Email John with copies of everything.	0.20	60.00
8/25/03	Prepare indemnity agreement as between David Nickelson and John Mathiesen in order to get John Mathiesen to personally guarantee certain corporate obligations. Email draft to John Mathiesen and call him to make him aware of same.	0.70	210.00
8/26/03	Call from John Mathiesen to advise as to status on GameTime agreement, negotiations with David Nickelson and other corporate matters.	0.40	120.00
8/26/03	Call from David Nickelson regarding consulting agreement and his need for incentive compensation. Discussed indemnity agreement and changes that need to be made in order to limit the indemnity and not make it continuing guarantee. Call John Mathiesen to update him on the fact that Dave does not think that things are at an end. He still wants to negotiate further. Sent John and Dave copies of the consulting agreement and indemnity agreement as they currently stand with Dave's changes.	0.60	180.00
8/26/03	Call from John Mathiesen following his discussion with Dave Nickelson. Made changes to provide Dave with 10% interest in phantom stock plan to be adopted. Made changes and emailed	0.30	90.00

	him.		
9/08/03	Email from John Mathiesen re Gametime.	0.10	30.00
9/19/03	Calls to and from John Mathiesen re status of Gametime Agreement. Review agreement and call John with specific comments including review of payment terms and termination clause.	0.90	270.00
9/22/03	Call from John concerning strategy on Gametime agreement and to also look at indemnity issue. Advised that the indemnity issue is something that John should look to Bill Husbands for.	0.30	90.00
10/15/03	Call from John to update on Gametime and Versa Deck.	0.50	150.00
11/26/03	Meeting with John to discuss status of proceedings and documents needed. Prepare patent assignment, UCC-1 language in order to take security interest in unpaid for goods. Emails to and from John re same.	3.80	1140.00
12/31/03	Call from Marlys re language changes in lease. Promised on Friday morning.	0.30	90.00
1/2/04	Prepare changes to lease and email to Marlys and John.	0.40	120.00
1/5/04	Call from John re changes to lease requested by lessor counsel.	0.40	120.00
1/6/04	Call from John re few detailed items on lease, items being requested by counsel for lessor.	0.40	120.00
	Total this category		7350.00

Applications to Employ and Fee Applications

8/4/03	Call from Mary Cox concerning application for appointment as special counsel.	0.30	90.00
8/6/03	Email from Mary Cox re petition for approval of special counsel. Reviewed final and agreed to submission.	0.20	60.00
	Total this category		150.00

Plan and Disclosure Statement

9/30/03	Call from John Mathiesen regarding status of plan and Gametime.	0.50	150.00
9/30/03	Call from Bill Kampf about filing plan and additional documents needed.	0.30	90.00
10/6/03	Call from John Mathiesen to confirm plan filed and hearing	0.40	120.00

dates.

Total this category

360.00

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Nickelson Plastics, Inc.,

Debtor.

BKY 03-44930

Chapter 11 Case

PROOF OF SERVICE

Ellen L. Estes states under penalty of perjury that she is an employee of Estes Law Firm, P.A., and in the course of said employment s/he served

Amended Notice of Hearing and Amended Application for Allowance of Fees and Expenses for Special Counsel for Debtor with exhibits; Proposed Order Allowing Fees; and Proof of Service.

on the entities named below or as specified by enclosing true and correct copies of same in an envelope, properly addressed and postage prepaid, and depositing same in the United States mail.

****See attached list****

Dated: January 24, 2004

/e/ Ellen L. Estes

United States Trustee
300 South Fourth Street
1015 U.S. Courthouse
Minneapolis, MN 55415

U.S. Attorney
300 South Fourth Street #600
Minneapolis, MN 55415

MN Dept of Revenue
Bankruptcy Section
PO Box 64447
St. Paul MN 55164-0447

Internal Revenue Service
Stop 5700
316 North Robert Street
St. Paul, MN 55101

District Counsel of IRS
175 East Fifth Street #650
St. Paul, MN 55101

Securities and Exchange Co.
Midwest Regional Office
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Chicago, IL 60604

Lakeside Plastics
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Itasca Business Credit, Inc.
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Macon, GA 31208-3708

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Minneapolis, MN 55402

Nickelson Plastics
Attn: John Mathieson/Marlyns Dunne
100 Industrial Drive, Box 459
Osceola, WI 54020

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Nickelson Plastics, Inc.,
Debtor.

BKY 03-44930

Chapter 11 Case

ORDER ALLOWING FEES

This case came before the Court on the Amended Application for Allowance of Fees and Expenses, filed by Estes Law Firm, P.A., Special Counsel for the Debtor. Appearances, if any, were noted on the record. Based on the application and the file, record and proceedings herein,

IT IS ORDERED:

1. Estes Law Firm, P.A. is allowed compensation in the amount of \$13,650.00.
2. The Debtor is authorized and directed to disburse to Estes Law Firm, P.A., funds in the amount of the balance remaining of the fees and expenses allowed Estes Law Firm, P.A. hereunder.

BY THE COURT:

Dated: _____

U.S. Bankruptcy Judge