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July 8, 2010

***Via Hand Delivery and Electronically Filed***

Honorable Martin Glenn  
United States Bankruptcy Judge  
United States Bankruptcy Court  
One Bowling Green, Room 504  
New York, NY 10004

Re: *The 1031 Tax Group, LLC, et al. (Case No. 07-B-11448 (MG));  
Final Fee Application of Ayres Warren Shelton & Williams, L.L.C.)*

Dear Judge Glenn:

We are counsel to Gerard A. McHale, Jr., P.A. (the "Liquidation Trustee"), liquidation trustee of the 1031 Debtors Liquidation Trust. We were recently contacted by J. Benjamin Warren, Jr. of Ayres Warren Shelton & Williams, L.L.C. ("AWSW") regarding payment in connection with its final request for compensation and reimbursement of disbursements. A review of the docket reveals that no order was ever entered awarding final compensation to AWSW. Enclosed in this respect are copies of (i) AWSW's Amended Application for Final Compensation (DKT. #1991) (the "Amended Application"); (ii) Supplement to the Amended Application; (DKT. #1992) (the "Amended Supplement"); (iii) Response of United States Trustee (the "UST Response") to Interim and Final Fee Applications (DKT. #1959); (iv) Objection to Fee Applications of Elizabeth H. Callanan (DKT. #1975) (the "Callanan Objection"); (v) relevant excerpts from the December 8, 2009 transcript of the hearing on final applications for allowances of compensation and reimbursement of expenses (the "Transcript"); (vi) the order granting the various final fee applications (other than AWSW) entered December 14, 2009 (DKT. #1989); and (vii) a proposed final order, with diskette, granting the Final Application.

As reflected in the UST Response, the Callanan Objection and in the enclosed pages from the December 8, 2009 transcript certain questions were raised regarding AWSW's original Final Fee Application (DKT. #1876) (the "Initial Application"). AWSW did not participate in the hearing and accordingly was not able to respond to the Court's and others' concerns. The Court directed AWSW to submit a supplement addressing the concerns raised (Transcript, p. 81, ll. 8-

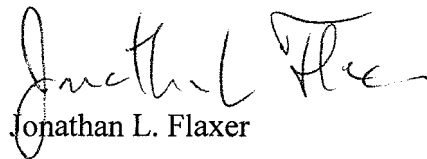
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23). The Initial Application sought fees in the amount of \$24,858 and reimbursement of expenses in the amount of \$3,136.09. The Amended Application seeks final fees in the amount of \$22,445 and reimbursement of expenses in the amount of \$3,102.59. With respect to the reduction in fees from the Initial Application to the Amended Application, we have added up the entries objected to in the Callanan Objection, and calculate a total reduction sought of \$1,382. Callanan Objection, pp. 5-6. The Transcript refers to an objection to time entries in the amount of \$755. The actual reduction, as noted above, is \$2,413. The proposed reduction in expenses is \$33.50 (this figure is consistent with the amount negotiated with the United States Trustee of \$31.50). UST Objection, p. 7 and Transcript, p. 81, l. 14.

AWSW had also filed a supplement (DKT. #1951) to the Initial Application requesting additional fees in the amount of \$5,745 incurred after October 7, 2009, relating primarily to preparation of the fee application. The enclosed Amended Supplement (DKT. #1992) seeks the reduced amount of \$2,262.50 for the post-October 7, 2009 period. This represents a reduction of \$3,482.50.

For the reasons set forth above, the Liquidation Trustee believes that the Amended Application and Amended Supplement are reasonable, and respectfully requests that an appropriate order granting the Amended Application as supplemented by the Amended Supplement be entered.

Respectfully submitted,

  
Jonathan L. Flaxer

***Enclosures***

cc: ***Via E-mail w/o enclosures***  
Gerard A. McHale, Jr.  
J. Benjamin Warren, Jr., Esq.

**To obtain a copy of the enclosures, please go to the  
Court's ECF website at  
<https://ecf.nysb.uscourts.gov/cgi-bin/login.pl> or contact  
Jonathan Flaxer, Esq. at Golenbock Eiseman Assor Bell  
and Peskoe LLP. Thank you.**

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