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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

FRONT SIGHT MANAGEMENT LLC,

Debtor.

Case No. 22-11824-abl
Chapter 11

**DECLARATION OF TRACY M.
O’STEEN, ESQ. IN SUPPORT OF
SECOND INTERIM AND FINAL FEE
APPLICATION OF CARLYON CICA
CHTD., AS NEVADA COUNSEL TO THE
OFFICIAL COMMITTEE OF
UNSECURED CREDITORS, FOR
ALLOWANCE OF COMPENSATION
FOR PROFESSIONAL SERVICES
RENDERED AND REIMBURSEMENT OF
EXPENSES**

Hearing Date: January 9, 2022
Hearing Time: 9:30 a.m.

I, Tracy M. O’Steen, Esq., hereby declare as follows:

1. I am over the age of 18 and am mentally competent. I am an attorney employed by the law firm Carlyon Cica Chtd. (“Carlyon Cica”), Nevada counsel to the Official Committee of Unsecured Creditors (the “Committee”) for the above referenced bankruptcy estate of Front Sight Management LLC (“Debtor”). I am familiar with Carlyon Cica’s work and billing practices, of

1 relevant documents, and information supplied to me by other attorneys and employees of the firm. If
2 called upon to testify as to the content of this declaration, I could and would competently do so under
3 penalty of perjury.

4 2. I make this declaration in support of the Second Interim and Final Fee Application of
5 Carlyon Cica Chtd., Nevada Counsel to the Official Committee of Unsecured Creditors, for
6 Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses
7 (the "Application").

8 3. The Application has been prepared in accordance with the *Guidelines for Reviewing*
9 *Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by*
10 *Attorneys in Larger Chapter 11 Cases* adopted by the Executive Office for United States Trustees, as
11 referenced by the Region 17 United States (the "Trustee Guidelines"), as well as in accordance with
12 Bankruptcy Rule 2016 and Local Rule 2016.

13 4. I have personally reviewed the information contained in the Application, and the
14 same is true and correct to the best of my knowledge, information and belief.

15 5. I have personally reviewed the bills in this matter, and in my opinion, the charges for
16 legal services and the expenses for which reimbursement are requested represent the actual reasonable
17 fees and charges incurred by my firm in its representation of the Committee.

18 6. The Application is the second interim fee application for allowance of compensation
19 and reimbursement of expenses filed by Carlyon Cica's in the chapter 11 bankruptcy case (the
20 "Chapter 11 Case") of Front Sight Management LLC ("Debtor") as well as its final fee application
21 seeking approval of all fees incurred from its employment through the effective date of the Debtor's
22 confirmed Plan¹ which is noticed as December 2, 2022, plus additional fees incurred primarily in
23 connection with the preparation and presentation of this Application between December 3, 2022 and
24 January 9, 2023 (the "Compensation Period").

25 7. Pursuant to the Application, Carlyon Cica requests allowance and final approval of
26 compensation of \$154,196.00 and reimbursement of expenses of \$2,542.67, for a total of

27
28 ¹ Capitalized terms used but not otherwise defined herein have the meaning assigned to them in the Application.

1 \$156,738.67, in connection with services provided during the Compensation Period. During the
2 Compensation Period, Carlyon Cica's attorneys expended a total of 308.5 hours for which
3 compensation is sought consisting of 298.8 hours through the Effective Date and 9.7 hours incurred
4 from December 3, 2022 through December 8, 2022 primarily involving preparation of this
5 Application. Attached as **Exhibit 1** to the Application is a true and correct billing summary.

6 8. A true and correct copy of the invoices regarding this matter are attached to yeh
7 Application as composite **Exhibit 2**. **Exhibit 2** identifies and provides chronologically throughout
8 the Compensation Period: (a) the dates on which Carlyon Cica performed professional services; (b)
9 each person performing such services; (c) the amount of time spent by each person on each day that
10 the person performs such services (charged in units of one-tenth [0.1] of an hour); and (d) specific
11 daily descriptions of the services performed by each person. These time entries are grouped by task
12 category. To facilitate analysis of tasks performed by category, Carlyon Cica opens a separate file
13 for each of the billing "project categories" set forth in the Trustee Guidelines. Carlyon Cica assigns
14 the letters (a) through (m) to each such project category and created a separate subfile related to that
15 subcategory. **Exhibit 2** is divided into these subcategories, thus, **Exhibit 2-A** would be the invoice
16 for the project category "Asset Analysis and Recovery," **Exhibit 2-B** would be the invoice for the
17 project category "Asset Disposition," etc. The project categories and the narrative description of the
18 tasks are included in the invoices attached as composite **Exhibit 2**.

19 9. **Exhibit 3** to the Application is a true and correct detailed statement of actual and
20 necessary out-of-pocket expenses incurred and paid by Carlyon Cica during the Compensation Period
21 in its representation of the Committee.

22 10. As of December 8, 2022, Applicant has incurred \$4,171 in post-Effective Date fees,
23 relating primarily to tasks in connection with the preparation of this Application. A copy of the
24 invoice reflecting such time entries is attached to the Application as **Exhibit 4**. Additional time in
25 connection with preparation of this Application is being incurred on December 12, 2022 and will be
26 incurred in connection with the hearing on the Application. Applicant seeks an award of \$5,000 for
27 such additional services which are necessary pursuant to 11 U.S.C. §330.
28

1 11. The fees charged by Carlyon Cica in this Chapter 11 Case are billed in accordance
2 with its existing procedures in effect during the Compensation Period. Carlyon Cica submits that its
3 fees are reasonable in light of the customary compensation charged by comparably skilled
4 practitioners in a competitive legal market. The hourly rates charged by Carlyon Cica for services
5 rendered are enumerated on **Exhibit 1** to the Application.

6 12. There is no agreement or understanding between Carlyon Cica and any other person,
7 other than members of the firm, for the sharing of compensation to be received for services rendered
8 in the Chapter 11 Case.

9 13. During the Compensation Period, Carlyon Cica performed the actual and necessary
10 services, which are summarized in the Application by task category and itemized in detail in the
11 exhibits attached to the Application.

12 14. The professional services performed by Carlyon Cica were necessary and appropriate
13 to the administration of Debtor's Chapter 11 Case and were in the best interests of the creditors of
14 the bankruptcy estate. Compensation for the foregoing services as requested is commensurate with
15 the complexity, importance, and nature of the problems, issues, and tasks involved. The professional
16 services were performed expeditiously, thoroughly, and in an efficient manner.

17 15. The bankruptcy services provided by Carlyon Cica were principally performed by
18 Dawn M. Cica, Eq. Ms. Cica is a founding partner of Carlyon, and her practice is focused on
19 commercial bankruptcy representation, commercial real estate and corporate transactions, including
20 real estate finance, real estate development, real estate acquisitions, dispositions, leasing, and
21 corporate formation and governance. The balance of the services were rendered by attorneys and
22 other paraprofessionals in the firm. Carlyon Cica's attorneys have a preeminent practice in this area
23 and enjoy a strong reputation in the Southwest for their expertise in complex chapter 11 proceedings.

24 16. Carlyon Cica respectfully submits that the services it has provided during the
25 Compensation Period were reasonable and necessary under the circumstances of the Chapter 11 Case
26 and that the compensation of such fees to Carlyon Cica is appropriate and should be allowed on a
27 final basis.

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1 17. Carlyon Cica has incurred and paid out-of-pocket expenses totaling \$2,542.67 during
2 the Compensation Period. The items for which expense reimbursement are being sought are not
3 included in Carlyon Cica's overhead, and are not, therefore, a part of the hourly rates charged by
4 Carlyon Cica. Included in Carlyon Cica's general overhead, and thus not charged as an expense to
5 the client, are long distance calls and conference calls using Carlyon Cica's internal conference
6 network.

7 18. Carlyon Cica charges \$0.25 per page for black and white photocopying, \$1.00 per
8 page for color copies, and all other costs at the actual cost, without any profit on such expenses.

9 19. Carlyon Cica submits that the expenses that it has incurred and paid in rendering legal
10 services during the Compensation Period are reasonable and necessary under the circumstances of
11 this Chapter 11 Case, and that the reimbursement to Carlyon Cica for such expenses is appropriate
12 and should be allowed.

13 20. Pursuant to the Compensation Procedures Order, Carlyon Cica has received the
14 following payments with respect to its fees and expenses: (a) \$56,866.11 on September 8, 2022; (b)
15 \$27,649 on November 23, 2022; and (c) \$12,668.00 on November 30, 2022, for a total of \$97,183.76.

16 21. I declare under penalty of perjury of the laws of the United States that these facts are
17 true to the best of my knowledge and belief.

18 Respectfully Submitted this 12th day of December 2022.

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20 /s/ Tracy M. O'Steen, Esq.
21 TRACY M. O'STEEN, ESQ.
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