

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re: : Chapter 11  
: :  
MIDWAY GAMES INC., *et al.*,<sup>2</sup> : Case No. 09-10465 (KG)  
: (Jointly Administered)  
Debtors. :  
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**Objection Deadline: April 16, 2009 at 4:00 p.m. (EST)  
Hearing Date: Only in the Event of an Objection**

**FIRST MONTHLY FEE APPLICATION OF BLANK ROME LLP  
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES  
FOR THE PERIOD FEBRUARY 12, 2009 THROUGH FEBRUARY 28, 2009**

*Name of Applicant:* Blank Rome LLP

*Authorized to Provide Professional Services to:* Midway Games Inc., et al.

*Date of Retention:* March 10, 2009, *nunc pro tunc*  
to February 12, 2009

*Period for which Compensation and Reimbursement is Sought:* February 12, 2009 through February 28, 2009

*Amount of Compensation Sought as Actual, Reasonable, and Necessary:* \$163,483.50 (80% of Fees = \$130,786.80)

*Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary:* \$1,196.09

This is a:       Monthly       Quarterly       Final Application

<sup>2</sup> The Debtors are: Midway Games Inc., Midway Home Entertainment Inc., Midway Amusement Games, LLC, Midway Interactive Inc., Surreal Software Inc., Midway Studios - Austin Inc., Midway Studios - Los Angeles Inc., Midway Games West Inc., Midway Home Studios Inc., and Midway Sales Company, LLC.

The total time expended for preparation of this fee application is approximately 9.0 hours, and the corresponding compensation is not included herein but will be requested in a subsequent monthly application of Blank Rome LLP for compensation and reimbursement of expenses.

No prior fee applications have been filed by Blank Rome in these cases.

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FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES  
FOR THE PERIOD FEBRUARY 12, 2009 THROUGH FEBRUARY 28, 2009**

This First Monthly Fee Application for Compensation and Reimbursement of Expenses (“*Fee Application*”) is filed by Blank Rome LLP (“*Blank Rome*”) requesting payment for services rendered and reimbursement of expenses incurred as lead bankruptcy counsel for Midway Games Inc., et al. (the “*Debtors*”) for the period February 12, 2009 through and including February 28, 2009 (the “*Application Period*”).

**JURISDICTION**

1. The Court has jurisdiction over this matter under 28 U.S.C. § 1334. This is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2). Venue of these chapter 11 cases in this district is proper under 28 U.S.C. §§ 1408 and 1409.

**BACKGROUND**

2. On February 12, 2009, the above-captioned Debtors filed voluntary petitions under Chapter 11 of Title 11 of the United States Code (the “*Bankruptcy Code*”).

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<sup>1</sup> The Debtors are: Midway Games Inc., Midway Home Entertainment Inc., Midway Amusement Games, LLC, Midway Interactive Inc., Surreal Software Inc., Midway Studios - Austin Inc., Midway Studios - Los Angeles Inc., Midway Games West Inc., Midway Home Studios Inc., and Midway Sales Company, LLC.

3. On February 20, 2009, the Debtors' Application for Authority to Employ Blank Rome LLP as General Bankruptcy Counsel, was filed with the Court. This Court approved the employment of Blank Rome, Nunc Pro Tunc as of February 12, 2009, by Order dated March 10, 2009 [Docket No. 141].

4. Blank Rome is a nationally recognized law firm with extensive experience and expertise in bankruptcy and reorganization proceedings, particularly with respect to the representation of debtors and creditors' committees.

5. Presently, the attorneys having primary day-to-day responsibility for representation of these cases are Jeffrey Siegel, Marc Richards, Pamela Flaherty, Michael DeBaecke, and David Carickhoff. Blank Rome has drawn and will draw upon the knowledge and skills of other firm attorneys to provide services as the needs arise.

#### **RELIEF REQUESTED**

6. Blank Rome submits this Fee Application pursuant to § 330 and § 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated March 9, 2009 [Docket No. 139] (the "*Administrative Order*"), and Del. Bankr. LR 2016-2. By this Fee Application, Blank Rome seeks interim allowance of compensation for actual and necessary professional services rendered in the amount of \$163,483.50 for the Application Period, and seeks payment of \$130,786.80 in accordance with the terms of the Administrative Order. Blank Rome also seeks reimbursement of expenses incurred in the amount of \$1,196.09.

#### **SUMMARY OF FEES**

7. The total number of hours expended by Blank Rome professionals and paraprofessionals in performing professional services for the Debtors during the Application

Period was 327.75 hours at a blended billing rate of \$498.80 per hour. The value of these services has been computed at the rates Blank Rome customarily charges for similar services provided to other clients.

8. A detailed chronological itemization of the services rendered by each attorney and paraprofessional calculated by tenths of an hour and categorized in accordance with the appropriate project code, is attached hereto as Exhibit "A". Specifically, the services rendered by Blank Rome during the Application Period included without limitation the following:

(a) Asset Analysis (Project Code 1): During the Application Period, Blank Rome reviewed and analyzed information provided by the Debtors regarding the Debtors' assets. Blank Rome also attended a meeting on February 27, 2009 with members of the Official Committee of Unsecured Creditors (the "Committee") and assisted in the presentations provided by the Debtors to the Committee.

**Total Hours: 6.10      Total Fees: \$4,270.00**

(b) Asset Disposition (Project Code 2): During the Application Period, Blank Rome assisted the Debtors and Lazard Freres & Co. LLC ("Lazard") in communicating with and negotiating with potential purchasers of the Debtors' assets. Blank Rome reviewed and participated in discussions regarding a potential asset sale process.

**Total Hours: 7.50      Total Fees: \$4,749.50**

(c) Debtors' Business Operations (Project Code 3): During the Application Period, Blank Rome worked closely with the Debtors with respect to various operational issues related to the bankruptcy filings. Blank Rome participated in teleconferences with the Debtors' employees and professionals regarding the Debtor's operations and related issues. Blank Rome

also reviewed and analyzed business information provided by the Debtors and fielded multiple calls and requests in connection therewith.

**Total Hours: 4.80      Total Fees: \$2,458.00**

(d) Claims Administration and Claims Resolution (Project Code 5): During the Application Period, Blank Rome reviewed and participated in discussions with creditors, landlords and other interested parties regarding the bankruptcy filing and status of outstanding claims.

**Total Hours: 3.70      Total Fees: \$1,490.00**

(e) Employee Compensation/Employee Benefits/Employee Issues (Project Code 6): During the Application Period, Blank Rome performed the various tasks necessary to the preparation, filing, service, and prosecution of the Debtors' first day Motion (A) Authorizing (I) Payment of Prepetition Wages, Compensation, Employee Benefits, Expense Reimbursement and Related Items, and (II) the Continuation of Certain Employment Policies and Benefits, and (B) Authorizing and Directing Applicable Banks to Honor Payment Requests with Respect Thereto. An order approving the Motion was entered on February 13, 2009 [Dkt No. 34]. Blank Rome also reviewed, researched, analyzed, and participated in discussions, including discussions with representatives of the Debtors and the Office of the United States Trustee (the "OUST"), regarding the same.

Also during the Application Period, Blank Rome performed various tasks necessary to the preparation, filing and service of the Debtors' (i) Motion for Entry of an Order Approving Payment of Discretionary Bonuses to Non-Insiders of the Debtors [Dkt. No. 55], (ii) Motion for Entry of an Order Authorizing, But Not Directing, (I) Debtors to Honor Certain Employee

Programs Postpetition and (II) Payment of Prepetition Claims in Connection with Such Programs [Dkt. No. 56], and (iii) Motion to Approve a Key Employee Incentive Plan [Dkt. No. 63].

**Total Hours: 50.30      Total Fees: \$23,481.00**

(f) Blank Rome Employment and Fee Applications (Project Code 7): During the Application Period, Blank Rome performed various tasks necessary to the preparation, filing and service of Blank Rome's Employment Application, including the following: (i) performing an initial conflicts search; and (ii) preparing the Employment Application and Affidavit of Jeffrey N. Siegel in support of thereof.

**Total Hours: 9.30      Total Fees: \$4,828.00**

(g) Other Professionals' Employment and Fee Applications (Project Code 8): During the Application Period, Blank Rome performed various tasks necessary to the preparation, filing, and service of the Debtors' Motion Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals [Dkt. No. 49] and the Debtors' Application to Employ Professionals Used in the Ordinary Course of the Debtors' Business [Dkt. No. 54].

Also during the Application Period, Blank Rome performed various tasks necessary to the preparation, filing, and service of the following Employment Applications:

- Epiq Bankruptcy Solutions, LLC ("*Epiq*"), as Claims, Noticing and Balloting Agent, including (i) discussions with representatives of Epiq; (ii) discussions with the OUST; and (iii) preparation and filing of the Affidavit of Daniel C. McElhinney;
- Lazard, as investment banker to the Debtors, including discussions with representatives of Lazard and the OUST; and

- Dewey & LeBoeuf LLP ("*Dewey & LeBoeuf*"), as special counsel to the Midway Games Inc. board of directors, including discussions with representatives of Dewey & LeBoeuf and the OUST.

**Total Hours: 22.80      Total Fees: \$10,405.50**

(h) Financing/Cash Collateral/Secured Creditor Issues (Project Code 9):

During the Application Period, Blank Rome reviewed and participated in discussions regarding budget and related information pertaining to the use of cash collateral.

Blank Rome performed various tasks necessary to the preparation, filing and service of the Debtors' Motion to Approve Use of Cash Collateral and for Entry of Interim and Final Orders: (A) Authorizing the Debtors to Use Case Collateral; (B) Granting Adequate Protection Pending Final Hearing; (C) Scheduling Final Hearing; and (D) Granting Related Relief and Proposed Interim Order related thereto [Dkt. No. 14]. Blank Rome also represented the Debtors at the first day hearing held in connection with the objections to the Cash Collateral Motion filed by certain Noteholders. The Court entered an Interim Cash Collateral Order on February 17, 2009 [Dkt. No. 41].

**Total Hours: 61.60      Total Fees: \$34,290.50**

(i) Taxes and NOL Issues (Project Code 11): During the Application Period,

Blank Rome performed the various tasks necessary to the preparation filing, and service of the Motion of the Debtors Pursuant to 11 U.S.C. §§ 105, 362 and 541 for an Interim Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of the Debtors' Equity Securities.

**Total Hours: 4.40      Total Fees: \$2,458.00**



(j) Hearings (Attendance/Preparation) (Project Code 15): During the Application Period, Blank Rome prepared for and attended the first day hearing and related proceedings held on February 13, 2009. Twelve motions or applications were addressed by the Court at the first day hearing. Blank Rome prepared an agenda and binders in connection with the first day hearing.

**Total Hours: 41.50      Total Fees: \$20,128.50**

(k) Schedules and SOFAs/Operating Reports (Project Code 16): During the Application Period, Blank Rome consulted with Debtors regarding the preparation of the Debtors' Schedules and Statements of Financial Affairs and aided in the preparation of the Debtors' Initial Monthly Operating Report and submission of various financial information requested by the OUST.

**Total Hours: 4.40      Total Fees: \$2,200.00**

(l) Case Administration (General) and Miscellaneous (Project Code 4): Blank Rome performed various tasks necessary to effectively administer these cases on behalf of the Debtors. Blank Rome also performed administrative functions such as the updating of the master file index, reviewing and updating dockets and updating the Rule 2002 service list. Blank Rome communicated with multiple parties in interest regarding the filing and status of these bankruptcy cases. Blank Rome prepared for and attended the first day hearing and performed all tasks necessary in connection therewith. Blank Rome communicated with representatives of the OUST with respect to various issues relating to the commencement of these cases. Blank Rome prepared for and attended the February 23, 2009 meeting held to form the Committee.

**Total Hours: 109.00      Total Fees: \$51,405.50**

**ACTUAL AND NECESSARY COSTS AND EXPENSES INCURRED**

9. Reimbursement of expenses in the amount of \$1,196.09 is sought herein. A complete breakdown of these expenses is reflected in Exhibit "B". Blank Rome reserves the right to request, in subsequent fee applications, reimbursement of any additional expenses incurred during the Application Period, as such expenses may not have been accounted for yet in Blank Rome's billing system.

**COMPLIANCE WITH THE BANKRUPTCY CODE,  
THE BANKRUPTCY RULES AND LOCAL RULES**

10. In accordance with Del. Bankr. LR 2016-2, a summary schedule of hours and fees for each attorney and paraprofessional, and a summary schedule of hours and fees categorized by project code are set forth in the attachments to this Fee Application.

11. Blank Rome submits that the services rendered and expenses incurred were actual and necessary and that the compensation sought is reasonable and in accordance with the standards of 11 U.S.C. § 330.

12. Every effort has been made by Blank Rome to categorize daily time entries in accordance with the correct project code. However, in some instances, services overlap between project codes. Thus, some services may appear under more than one code, although in no instance is a specific time entry recorded more than once.

13. The undersigned submits that this Fee Application complies with Del. Bankr. LR 2016-2.

14. No agreement or understanding exists between Blank Rome and any other entity for the sharing of compensation received or to be received for services rendered in or in connection with these cases.

**NOTICE**

15. As required by the Administrative Order, a copy of this Fee Application has been served upon the (i) Debtors, (ii) Counsel for the Committee, (iii) Counsel for the Lender and (iv) counsel for OUST. Notice of this Fee Application was served upon all parties requesting notice pursuant to Bankruptcy Rule 2002.

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**WHEREFORE**, Blank Rome respectfully requests that this Court: (i) approve this First Monthly Interim Fee Application for services rendered and expenses incurred for the Application Period; and (ii) enter any other and further relief as the Court deems proper and just.

Dated: March 27, 2009

**BLANK ROME LLP**



Michael D. DeBaecke (No. 3186)  
David W. Carickhoff (No. 3715)  
Victoria Guilfoyle (No. 5183)  
1201 North Market Street  
Suite 800  
Wilmington, DE 19801  
Telephone: (302) 425-6412  
Facsimile: (302) 425-6464

-and-

Jeffrey N. Siegel  
Marc E. Richards  
Pamela E. Flaherty  
The Chrysler Building  
405 Lexington Avenue  
New York, NY 10174  
Telephone: (212) 885-5000  
Facsimile: (212) 885-5001

*Attorneys for Debtors and  
Debtors In Possession*