

**UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF ALABAMA, SOUTHERN DIVISION**

<b>In Re:</b>	)	<b>Case No: 11-12254-WRS-11</b>
	)	
<b>SMALL LOANS, INC., et al.</b>	)	<b>Chapter 11</b>
	)	
<b>Debtors.</b>	)	<b>Jointly Administered</b>

**AFFIDAVIT OF DANIEL D. SPARKS IN SUPPORT OF APPLICATION PURSUANT  
TO FED. R. BANK. P. 2014(a) FOR ENTRY OF AN ORDER UNDER SECTION 327(a)  
OF THE BANKRUPTCY CODE AUTHORIZING THE EMPLOYMENT AND  
RETENTION OF CHRISTIAN & SMALL, LLP AS  
ATTORNEYS FOR THE CHAPTER 11 TRUSTEE**

**STATE OF ALABAMA**                    )

**COUNTY OF JEFFERSON**            )

Before me, the undersigned notary, personally appeared Daniel D. Sparks, who being known to me and first duly sworn, deposes and states the following:

1. I am a partner of the law firm of Christian & Small, LLP (“Christian & Small” or the “Firm”) located at 505 20<sup>th</sup> Street North, Suite 1800, Birmingham, Alabama 35203. I am an attorney in good standing with the Alabama State Bar, primarily practicing in the areas of Bankruptcy and Commercial Litigation in the State of Alabama. I have been admitted to practice before the United States Bankruptcy Court for the Middle District of Alabama.

2. As a partner of Christian & Small, I am one of the persons who has custody and control of Christian & Small's business records regarding Small Loans, Inc., The Money Tree, Inc., The Money Tree of Louisiana, Inc., The Money Tree of Florida Inc., and The Money Tree of Georgia Inc. (collectively, the "Debtors") and these chapter 11 cases. These records were made at or near the time of the event recorded by a person (or persons) with knowledge of the event and charged with the responsibility for recording such events. These records are kept in the ordinary course of Christian & Small's business activities, which is the customary practice of

Christian & Small. I have reviewed Christian & Small's records regarding the Debtors and these chapter 11 cases, which leads me to the summary set forth herein. All facts and procedures set forth herein are either (a) facts or procedures of which I have personal knowledge or (b) an accurate summary of Christian & Small's business records and practices.

3. This Affidavit is submitted in support of the application (the "Application") of Christian & Small for an order pursuant to Sections 327(a) and 328(a) of Title 11 of the United States Code (as amended, the "Bankruptcy Code") and Fed. R. Bank. P. 2014(a), 2016 and 5002 authorizing the employment and retention of Christian & Small as counsel for S. Gregory Hays, the chapter 11 bankruptcy trustee (the "Trustee") appointed in the above captioned case.

#### **Services To Be Provided**

4. The Trustee seeks to retain Christian & Small as the Trustee's attorneys because of the Firm's extensive experience and knowledge in the field of debtors' and creditors' rights and the chapter 11 process and because of its expertise, experience and knowledge practicing before bankruptcy courts, and its ability to quickly respond to all issues that may arise in these chapter 11 cases. In preparing to represent the Trustee in these chapter 11 cases, Christian & Small has become familiar with the Debtors' business and affairs and many of the potential legal issues that may arise. Accordingly, the Trustee believes that Christian & Small is both well qualified and uniquely able to represent the Trustee in an efficient and timely manner.

5. Christian & Small intends to apply for compensation for services rendered in connection with the chapter 11 cases, subject to this Court's approval and in compliance with applicable provisions of the Bankruptcy Code, this Court's local rules and orders of this Court. The Firm will request compensation on an hourly basis, plus reimbursement of actual, necessary expenses and other charges the Firm incurs. Christian & Small will charge hourly rates to the

Trustee that are consistent with, though somewhat discounted, from the rates charged by Christian & Small in bankruptcy and non-bankruptcy matters of this type. These rates are as follows:

Senior Partners	\$360/hour
Junior Partners	\$325/hour
Associates	\$250/hour
Paralegals	\$110/hour

6. The professional services that C&S will render to the Trustee, may include, but shall not be limited to, the following:

- (i) advise the Trustee with respect to the Trustee's powers and duties as a chapter 11 trustee in the continued management and operation of the Debtors' business and properties;
- (ii) attend meetings and negotiate with representatives of creditors and other parties in interest;
- (iii) take all necessary action to protect and preserve the Debtors' estates, including the prosecution of causes of action owned by the Debtors, the defense of any action commenced against the Debtors, and objections to claims filed against the estates;
- (iv) prepare on behalf of the Trustee all motions, applications, answers, orders, reports, and papers necessary to the administration of the estates;
- (v) negotiate and prepare on the Trustee's behalf any plans of reorganization, disclosure statements, and all related agreements and/or documents, and take any necessary action on behalf of the Trustee to obtain confirmation of such plans;
- (vi) advise the Trustee in connection with any potential sale of assets;
- (vii) appear before this Court and any appellate courts, and protect the interests of the Debtors' estates before such Courts;
- (viii) advise the Trustee regarding the maximization of value of the estates for their creditors; and
- (ix) perform all other necessary legal services and provide all other necessary legal advice to the Trustee in connection with these chapter 11 cases.

7. To the best of my knowledge, Christian & Small has not represented the Debtors' creditors, equity security holders, or any other parties in interest, or their respective attorneys and accountants, the Bankruptcy Administrator or any person employed in the office of the Bankruptcy Administrator in any matters relating to the Debtors or their estates, except as follows:

(i) The Firm was contacted by and consulted with a Georgia attorney, Joseph Dent, with regard to certain claims held by a Mr. and Mrs. Adams as well as a claim held by Dave Krantz against one or more of the Debtors, but the Firm was never hired or retained by these individuals in any capacity, nor were any legal fees paid;

(ii) The Firm was contacted by and consulted with a Georgia attorney, Chris Steinmetz, with regard to certain claims held by Larry B. Goggins against one or more of the Debtors, but the Firm was never hired or formally retained by Larry B. Goggins, nor were any legal fees paid. Mr. and Mrs. Goggins understand that the Trustee proposes to retain The Firm and they do not object. ;

(iii) The Firm was contacted by and consulted with a Georgia attorney, C. Stafford, with regard to certain claims held by Jackie M. Shuman or Charles M. Shuman against one or more of the Debtors, but the Firm was never hired or retained by Jackie M. Shuman, nor were any legal fees paid. Mr. and Mrs. Shuman understand that the Trustee proposes to retain The Firm and they do not object;

(iv) The Firm has previously represented Chartis, and/or its insureds, which is listed as receiving aggregate payments of \$12,519.00 within ninety days preceding The Money Tree, Inc.'s bankruptcy filing in Item 3, subpart b (Payments to Creditors) of the Statement of Financial Affairs filed by The Money Tree, Inc. Chartis presently is indebted to The Firm for legal fees due, which is subject to a dispute between Chartis and The Firm;

(v) The Firm is currently representing AT&T in various matters. AT&T is scheduled as holding a \$5,500.00 general unsecured claim against The Money Tree of Georgia, Inc.;

(vi) The Firm has in the past represented Raymond James Financial in certain litigation. Raymond James Financial is listed as receiving a \$26,584.63 payment within ninety (90) days preceding The Money Tree, Inc.'s bankruptcy filing in Item 3, subpart b (Payments to Creditors) of the Statement of Financial Affairs filed by The Money Tree, Inc. Raymond James Financial is a mere former client of The Firm and there is no ongoing representation ;

(vii) The Firm is currently representing Regions Bank, which is listed as having two bank accounts closed by The Money Tree of Louisiana, Inc. within one year preceding its bankruptcy filing in Item 11 (Closed Financial Accounts) of the Statement of Financial Affairs filed by The Money Tree of Louisiana, Inc.

(viii)


I do not believe that Christian & Small's previous or current representation of these creditors and/or parties in interest causes an actual conflict of interest because the Firm's representation, other than as specifically indicated herein, has been in matters unrelated to these chapter 11 cases and the Firm will not undertake any representation of these parties in this case.

8. To the extent that Christian & Small identifies any other parties in interest which the Firm has represented, or currently represents, Christian & Small will disclose such information as it becomes known.


9. To the best of my knowledge, neither I nor Christian & Small holds or represents any interest adverse to the Debtors or the Debtors' estates.

10. Christian & Small has not shared, nor agreed to share any compensation or reimbursement it has received or will receive from the Trustee, other than with the partners, counsel, and associates of Christian & Small.

Further affiant saith not.

  
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Daniel D. Sparks

Sworn to and subscribed before me on this the 7<sup>th</sup> day of May, 2012.

  
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NOTARY PUBLIC  
My Commission Expires: 4/9/2013