

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

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

**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**

**PURSUANT TO LBR 9007 -1, THIS APPLICATION WILL BE TAKEN
UNDER ADVISEMENT BY THE COURT AND MAY BE GRANTED
UNLESS A PARTY IN INTEREST FILES A RESPONSE WITHIN 21
DAYS OF THE DATE OF SERVICE. RESPONSES MUST BE FILED
WITH THE CLERK AND SERVED UPON THE MOVING PARTY.
RESPONSES MUST FILED ELECTRONICALLY WITH THE CLERK
OR BY U.S. MAIL ADDRESSED TO THE CLERK, U.S. BANKRUPTCY
COURT, ONE CHURCH STREET, MONTGOMERY, ALABAMA 36104**

S. Gregory Hays, the chapter 11 bankruptcy trustee (the "Trustee") appointed in the above captioned case, hereby submits this application (the "Application") 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, LLP ("Christian & Small" or the "Firm") as the Trustee's counsel as of May 1, 2012. In support of this Application, the Trustee respectfully states as follows:

Jurisdiction

1. This Court has jurisdiction over this Application under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2)(A) and (O).

2. Venue of these cases and this Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested herein are Sections 327(a) and 328(a) of the Bankruptcy Code.

Background

4. On December 16, 2011 (the "Petition Date"), 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") filed voluntary chapter 11 bankruptcy cases in this Court.¹

5. The Debtors' history and the events leading up to their bankruptcy filings have already been set out in numerous pleadings filed with this Court and the Trustee will not retread over the same ground again here.

Appointment of Trustee

6. On April 30, 2012, the Court ordered the appointment of the Trustee pursuant to Section 1104(a) of the Bankruptcy Code. The Trustee now seeks to employ Christian & Small as the Trustee's counsel.

Relief Requested

7. By this Application, the Trustee seeks to employ and retain the firm of Christian & Small as the Trustee's counsel with regard to the prosecution of the Debtors' chapter 11 cases and all related matters, including the orderly liquidation of the Debtors' assets in order to

¹ The Money Tree, Inc. filed Case No. 11-12255-WRS-11; The Money Tree of Louisiana, Inc. filed Case No. 11-12256-WRS-11; The Money Tree of Florida Inc. filed Case No. 11-12257-WRS-11; and The Money Tree of Georgia Inc. filed Case No. 11-12258-WRS-11. These cases and the chapter 11 case filed by Small Loans, Inc. are being jointly administered by this Court pursuant to the Order for Joint Administration entered by the Court on January 4, 2012. For purposes of this Application, the Trustee seeks to employ Christian & Small as the Trustee's counsel with regard to all of the jointly administered cases.

maximize the return to creditors. Accordingly, the Trustee respectfully requests the entry of an order pursuant to Section 327(a) of the Bankruptcy Code and Fed. R. Bankr. P. 2014(a) authorizing the Trustee to employ and retain the firm of Christian & Small as the Trustee's counsel to perform the legal services that will be necessary for the prosecution of the Debtors' chapter 11 cases.

8. 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.

9. 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 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

10. The professional services that Christian & Small 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.

11. To the best of the Trustee's knowledge, and except as disclosed in the attached affidavit of Daniel D. Sparks filed in connection herewith as **Exhibit "A"** pursuant to Fed. R. Bankr. P. 2014 (the "Affidavit"), 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.

12. To the best of the Trustee's knowledge, Christian & Small is a "disinterested person" as that phrase is defined in Section 101(14) of the Bankruptcy Code, and Christian & Small's employment is necessary to assist the Trustee in carrying out the Trustee's duties under Title 11.

Notice

13. Notice of this Application has been given to (a) the Bankruptcy Administrator, Teresa R. Jacobs, (b) counsel for the Debtor, (c) counsel for the Official Committee of Unsecured Creditors, (d) the Limited Service List described in the Order Limiting Notice, Establishing Additional Notice Procedures and Approving Alternative Form of Notice Via Website [ECF Docket No. 91], and (e) those persons who have requested notice pursuant to Fed. R. Bankr. P. 2002. Notice will also be given on the Noticing Website. The Trustee submits that, in light of the relief requested, no other or further notice need to be given.

No Prior Request

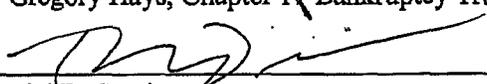
14. No prior application for the relief requested herein has been made to this or any other court.

WHEREFORE, the Trustee, S. Gregory Hays, respectfully requests that the Court enter an order authorizing the Trustee to employ Christian & Small, LLP as attorneys for the Trustee as of May 1, 2012 and granting such further relief as is just and proper.

Dated: 5-4-2012



S. Gregory Hays, Chapter 11 Bankruptcy Trustee



Daniel D. Sparks
Eric J. Breithaupt
Bradley R. Hightower
Attorneys for S. Gregory Hays, Chapter 11
Bankruptcy Trustee

OF COUNSEL:

CHRISTIAN & SMALL LLP
505 North 20th Street, Suite 1800
Birmingham, Alabama 35203
Phone: (205) 795-6588
Fax: (205) 328-7234

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing pleading upon the following via the ECF system or by placing a copy of same in the United States mail, postage prepaid, addressed as follows on this the 21st day of May, 2012:

Teresa R. Jacobs
U.S. Bankruptcy Administrator
Frank M. Johnson, Jr. Federal Building
One Church Street, Suite 103
Montgomery, Alabama 36104

Bill D. Bensinger
Max A. Mosley
Baker, Donelson, Bearman, Caldwell & Berkowitz
1600 Wells Fargo Tower
420 20th Street North
Birmingham, Alabama 35203

Jan M. Hayden
Baker, Donelson, Bearman, Caldwell & Berkowitz
201 St. Charles Avenue
New Orleans, Louisiana 70170

John D. Elrod
R. Kyle Woods
Greenberg Traurig, LLP
The Forum – Suite 400
3290 Northside Parkway, NW
Atlanta, Georgia 30327

Those persons who have requested notice pursuant to Fed. R. Bankr. P. 2002

/s/ Bradley R. Hightower
OF COUNSEL

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

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

**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 20th 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.


Daniel D. Sparks

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


NOTARY PUBLIC
My Commission Expires: 4/9/2013