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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: RANDALL'S ISLAND FAMILY GOLF CENTERS, INC., et al., Debtors.	Chapter 11 Case Nos. 00-_____ through 00-_____ (Jointly Administered)

APPLICATION PURSUANT TO SECTIONS 105(a), 327 AND 328 OF THE BANKRUPTCY CODE FOR ORDER AUTHORIZING DEBTORS-IN-POSSESSION TO EMPLOY PROFESSIONALS UTILIZED IN THE ORDINARY COURSE OF BUSINESS

TO THE HONORABLE JUDGES OF THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK:

The above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), for their application (the "Application") for an order pursuant to sections 105(a), 327 and 328 of title 11 of the United States Code (the "Bankruptcy Code") authorizing the Debtors to employ professionals utilized in the ordinary course of business (the "Ordinary Course Professionals"), respectfully represent as follows:

Background

1. On the date hereof (the "Filing Date"), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Concurrently herewith, the Debtors filed a motion seeking joint administration and consolidation of the Debtors' chapter 11 cases for procedural purposes only. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their properties as debtors-in-possession.

2. The Debtors operate golf, ice skating and family entertainment centers throughout North America. As of the Filing Date, the Debtors owned and/or operated 100 golf facilities and 17 ice skating and family entertainment centers.

3. The Court has jurisdiction over this Application pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), in that it is a matter concerning the administration of the Debtors' estates. The statutory predicates for the relief sought herein are sections 105(a), 327 and 328 of the Bankruptcy Code.

Relief Requested

4. By this Application, the Debtors seek entry of an order, pursuant to sections 105(a), 327 and 328 of the Bankruptcy Code, authorizing them to employ the Ordinary Course Professionals.

Applicable Authority

5. Section 105(a) of the Bankruptcy Code provides, in relevant part, as follows:

> (a) The court may issue any order, process or judgment that is necessary or appropriate to carry out the provisions of this title.

6. Section 327(e) of the Bankruptcy Code provides, in relevant part, as follows:

> (e) The trustee, with the court's approval, may employ, for a specified special purpose, other than to represent the trustee in conducting the case, an attorney that has represented the debtor, if in the best interest of the estate, and if such attorney does not represent or hold any interest adverse to the debtor or to the estate with respect to the matter on which such attorney is to be employed.

11 U.S.C. § 327(e).

7. Section 328(a) of the Bankruptcy Code provides, in relevant part, as follows:

> (a) The trustee, or a committee appointed under section 1102 of this title, with the court's approval, may employ or authorize the employment of a professional person under section 327 or 1103 of this title, as the case may be, on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, or on a contingent fee basis. Notwithstanding such terms and conditions, the court may allow compensation different from the compensation provided under such terms and conditions after the conclusion of such employment, if such terms and conditions prove to have been improvident in light of developments not capable of being anticipated at the time of the fixing of such terms and conditions.

11 U.S.C. § 328(a).

8. The Ordinary Course Professionals will not be involved in the administration of these chapter 11 cases, but will provide services in connection with the Debtors’ ongoing business operations and the resolution of any related operational

difficulties. As such, the Debtors do not believe that Ordinary Course Professionals are "Professionals," as that term is used in section 327 of the Bankruptcy Code, whose retention must be approved by the Court. See, e.g., In re That's Entertainment Mktg. Group, 68 B.R. 226, 230 (M.D. Cal. 1994) (holding that only the retention of those professionals whose duties are essential to administration of the estate requires prior court approval under section 327). Accordingly, the Court is authorized to grant the relief requested in this Application and approve the retention of the Ordinary Course Professionals in these chapter 11 cases.

9. Similar procedures for compensating and reimbursing court-approved professionals have been established in other large chapter 11 cases in this District. See, e.g., update In re McCrory Corporation, et al., Case Nos. 92-B-41133 (CB) through 92-B-41160 (CB) and In re Salant Corporation, Case No. 98-B-10107 (CB). The Debtor submits that the procedures sought herein are appropriate considering the above factors.

Employment of Ordinary Course Professionals

10. The Debtors desire to continue to employ the Ordinary Course Professionals to render services to the Debtors' estates similar to those services rendered prior to the Filing Date. These services include legal services with regard to specialized areas of the law, accounting, public relations, appraisals, surveys and other matters requiring the expertise and assistance of professionals. A list of the Debtors' Ordinary

Course Professionals, as of the Filing Date, is attached as Exhibit A to this Application.

11. Although the Debtors do not anticipate needing additional Ordinary Course Professionals, the Debtors seek to have the right to retain such Ordinary Course Professionals from time to time during these cases, as the need arises. The Debtors propose to file a supplemental list or lists of such additional Ordinary Course Professionals with the Court and to serve the list(s) on (i) the Office of the United States Trustee; (ii) Morgan, Lewis & Bockius, LLP, counsel for The Chase Manhattan Bank, as Agent under the Debtors' prepetition working capital facility; (iii) Winick & Rich, P.C., counsel to Magten Asset Management Corp. and Pacholder Associates, the proposed debtor-in-possession lenders; and (iv) United States Trust Company of New York, the Indenture Trustee for the 5¾% Convertible Subordinated Notes due October 15, 2004. The Debtors further propose that if no objections to any such supplemental list are filed within fifteen (15) days after service, the list would be deemed approved by the Court without the need for a hearing of further order.

12. The Debtors submit that, in light of the additional cost associated with the preparation of employment applications for professionals who will receive relatively small fees, it is impractical and cost inefficient for the Debtors to submit individual applications and proposed retention orders for each Ordinary Course Professional. Accordingly, the Debtors request that this Court dispense with the requirement of

individual employment applications and retention orders with respect to each Ordinary Course Professional, and that the Debtors be authorized to retain each Ordinary Course Professional from time to time as of the Filing Date.

13. Continuing to employ the Ordinary Course Professionals, rather than retaining new professionals, will enable the Debtors to carry out their normal business activities without the disruption that would result from terminating their relationships with the Ordinary Course Professionals and locating and retaining other competent professionals and familiarizing them with the Debtors' operations. The Debtors also believe that the relatively low costs of these professionals warrant streamlined procedures.

14. The Debtors propose that they be permitted to pay each Ordinary Course Professional, without a prior application to the Court by such professional, 100% of the fees and disbursements incurred, upon the submission to, and approval by, the Debtors of an appropriate invoice setting forth in reasonable detail the nature of the services rendered and disbursements actually incurred, up to the lesser of (a) $10,000 per month per Ordinary Course Professional or (b) $150,000 per month, in the aggregate, for all Ordinary Course Professionals.

15. Although certain of the Ordinary Course Professionals may hold unsecured claims against the Debtors for prepetition services rendered to the Debtors, the Debtors do not believe that any of the Ordinary Course Professionals has an interest adverse to the Debtors, their creditors or other

parties-in-interest on the matters for which they would be employed, and thus, all of the Ordinary Course Professionals proposed to be retained meet the special counsel retention requirement under section 327(e) of the Bankruptcy Code.

16. The proposed ordinary course retention and payment procedures set forth in this Application will not apply to those professionals for whom the Debtors have filed separate applications for approval of employment.

Best Interests of the Estates

17. The Debtors believe that the relief requested in this Application will ensure efficient service that is vital to the Debtors' continuing operations and integral to their successful reorganization.

18. As a result the Debtors believe that the proposed employment of Ordinary Course Professionals on the terms set forth above is in the best interests of the Debtors, their estates and their creditors.

Notice

19. No trustee, examiner or statutory committee has been appointed in connection with these chapter 11 cases. The Debtors have provided notice of this Application to (i) the Office of the United States Trustee; (ii) Morgan, Lewis & Bockius, LLP, counsel for The Chase Manhattan Bank, the Agent under the Debtors' prepetition working capital facility; (iii) Winick & Rich, P.C., counsel the proposed postpetition lenders; and (iv) United States Trust Company of New York, the Indenture Trustee for the 5¾% Convertible Subordinated Notes due October

15, 2004. Because of the nature of the relief requested, the Debtors respectfully submit that no hearing is required, and that further notice of the relief requested in this Application need be given.

Waiver of Memorandum of Law

20. Given the nature of the relief requested in this Application, the Debtors respectfully request that this Court dispense with and waive the requirement for submission of a memorandum of law contained in Local Rule 9013-1(b).

No Prior Request

21. No prior request for the relief sought in this Application has been made to this or any other court.

WHEREFORE, the Debtors request entry of an order, pursuant to sections 105(a), 327 and 328 of the Bankruptcy Code, substantially in the form attached to this Application, (a) authorizing the Debtors to employ professionals utilized in the ordinary course of business, and (b) granting such other and further relief as is just and proper.

Dated: New York, New York
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