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Jones Day objects to "excessive" fees submitted by Proskauer and Dewey on MF Global administration

23 October 2013 | By [Lucy Burton \(URL=/lucy-burton/78.bio\)](/lucy-burton/78.bio)



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Jones Day has objected to the "excessive" fees submitted by Proskauer Rose and legacy Dewey & LeBoeuf during the administration of collapsed brokerage MF Global.

According to yesterday's filing from the Southern District of New York bankruptcy court, the fees requested by the two firms, a total of \$8.7m, are excessive and should be blocked. It recommends that Proskauer reduce its fees from \$5m to \$3.25m and Dewey from \$3.75m to \$3m.

However the filing states that most of these fees have already been paid out, with the firms already raking in \$7.8m of the total \$8.7m they had requested. Jones Day's Los Angeles-based restructuring partner Bruce Bennett, who is advising MF Global, said the court should appoint a fee examiner to investigate the work performed by the lawyers.

Bennett pointed to the firms' London offices in his objection, arguing that a substantial amount of billable time was spent on MF Global's UK arm, MFGUK, which was not always relevant. He argued that "oversight of the MFGUK proceedings" cost the debtors estates over \$3.5m.

The filing also mentions London-based Proskauer partner Mark Fennessy and senior counsel Mark Griffiths, who both joined the US firm following Dewey & LeBoeuf's collapse in May 2012, for billing a total of \$2.2m while at the two firms.

Elsewhere in his objection Bennett said there was no monitoring of fees by the lawyers. "There is no objective evidence that the Committee exercised meaningful oversight of its own professionals' expenditure of time or money," he wrote.

MF Global filed for Chapter 11 bankruptcy in the US and administration in the UK in October 2011, with a Weil Gotshal & Manges team headed by City restructuring partner Adam Plainer appointed to advise the UK administrators and MF Global UK ([1 November 2011 \(URL=http://www.thelawyer.com/ashurst-and-weil-lead-as-mf-global-files-for-bankruptcy-protection/1010064.article\)](http://www.thelawyer.com/ashurst-and-weil-lead-as-mf-global-files-for-bankruptcy-protection/1010064.article)).

Legal fees incurred by the administrators of the UK arm breached the £18m mark last year, with Weil Gotshal taking the bulk by billing over £15m ([11 December 2012 \(URL=http://www.thelawyer.com/weil-bills-15m-on-mf-global-administration/1015979.article\)](http://www.thelawyer.com/weil-bills-15m-on-mf-global-administration/1015979.article)). Overall billings for advice from solicitors and barristers came to £18.4m, broken up as £10.9m in the first six months and £7.49m between May and October 2012.

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