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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO**

District case number: 1:03CV2038, 1:03CV2044, 1:04CV307, 1:04CV92, 1:03CV2106
Judge Ann Aldrich

WILLIAM MALOOF, Appellant

v.

Level Propane Gases Inc. et. al.

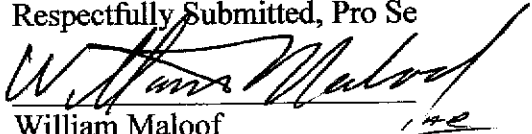
Appellees

ADDENDUM TO WILLIAM MALOOF'S BRIEF, PRO SE

Appellant is a pro se litigant and the judge has a duty to protect his rights according to the US Supreme Court opinions. Appellant hereby submits additional information. After review of the transcripts Maloof realized he omitted the fact that Benesch Friedlander Coplan & Aronoff LLP secretly collected over \$600,000 from Level through John Rudd of New Market Partners, agent for the banks. This was pre-petition money for only four months, these invoices were fraudulent, this occurred just prior to the BFCA /Level Propane engagement. This theft of money occurred through an elaborate scheme set up by William Schonburg of BFCA. Upon information and belief, BFCA was bouncing checks, just prior to this time. A \$2 million guarantee from BT to BFCA was all that was needed, prior to the bankruptcy according to the examiners report. BFCA was taking

directions from the bank prior to the election of Charles Sweet as director of Level Propane, whom the banks put in after the bankruptcy. This can be confirmed in the Mike Primrose of BFCA's deposition.

William Maloof
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Respectfully Submitted, Pro Se

William Maloof

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
Eastern Division

IN RE:

LEVEL PROPANE GASES, INC., ET AL.

Debtors.

IN PROCEEDINGS UNDER CHAPTER 11
(Jointly Administered)

CASE NO.: [REDACTED]
02-16172

JUDGE RANDOLPH BAXTER

FILED
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
COLUMBUS, OHIO
2002 SEP 27 11:32 AM

MEMORANDUM OF OPINION AND ORDER

The jointly administered Debtors-in-Possession (Debtors) seek the retention of Benesch, Friedlander, Coplan & Aronoff, LLP (BFCA) as their legal counsel during the prosecution of their respective Chapter 11 cases. At the direction of the Debtors' sole director, BFCA, if retained, would provide a variety of legal services, as specified in the application and affidavit.

The Office of the United States Trustee has opposed retention of BFCA as the Debtors' counsel. The Court has given due consideration to both the application and the objection, in addition to the arguments of counsel at a duly noticed hearing on the matter. The objection is based upon two premises: (1) BFCA is not disinterested and possesses interests which are adverse to the Debtors' estates by virtue of its representations of one of the Debtors' primary secured creditors, Debtors' principal, and an unnamed former officer and financial advisor to the Debtors; and (2) said retention exceeds the scope of this Court's prior orders and agreements executed during the involuntary phase of the Debtors' cases in bankruptcy. The present application of BFCA seeks its retention as Debtors' counsel on a transitional basis, as evinced from its application.

Although the United States Trustee's objection indicated an intention to present supporting evidence at the retention hearing, no such evidence was adduced. As a result, the points of objection

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are conclusory and unsubstantiated, except to the extent certain disclosures are acknowledged by BFCB. The burden of proof to sustain an objection is upon the objectant. Such burden is to be borne by a preponderance of the evidence. Herein, that burden is upon the United States Trustee and such burden has not been met.

The start point for a court's consideration of the retention of professionals in bankruptcy cases is 11 U.S.C. § 327. Section 327 provides:

(a) Except as otherwise provided in this section, the trustee, with the court's approval, may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title.

That provision includes a standard of disinterestedness and non-possession of an adverse interest. The subject application, with supporting affidavit, clearly reveals compliance by the applicant with that standard, and the United States Trustee has presented no evidence to controvert the representations set forth in the application or the accompanying affidavit.

Section 101(14) of the Code requires disinterestedness and no interest which is materially adverse to the interests of the estate. 11 U.S.C. § 101(14). Upon close attention to the arguments advanced by both counsel and the pertinent pleadings, this Court is satisfied of the absence of any disqualifying interests held by the Applicant. In this regard, the Applicant has more than adequately disclosed and explained to the Court's satisfaction any potential conflicts or points of possible adverse interest. No material adverse interests have been demonstrated or found to exist.

Significantly, the application is supported by the sole director of the Debtors; by the Creditors' committee, and is opposed by no other party-in-interest. In brief, the interested parties

who stand to lose the most by the presence of a material adverse interest on the part of the Applicant, if one was to exist, are supportive of the application. Moreover, none of the so-called "disqualifying connections" as characterized by the United States Trustee, and which were fully disclosed by the Applicant, rise to the level of a disqualified material adverse interest in this situation. The Applicant does not currently represent any of the creditor parties-in-interest, and each affiliated Debtor apparently is supportive of the Applicant's retention. The Applicant, further, has satisfactorily explained to the Court its relation to former creditor clients. There is no concurrent representation by the Applicant with any former client which poses a conflict with its representation of the Debtors' estates. If so, it has not been shown by the United States Trustee or any other party-in-interest.

Regarding the fully disclosed prepetition relation between BFCA, William Maloof ("MalooF") (a former insider), and John S. Rudd, neither represents a disqualified interest or material adverse interest to Debtors' estates. Firstly, it is unrefuted that there was never a formal retention engagement between BFCA and Maloof; (2) Maloof was never invoiced for whatever legal services BFCA may have performed for him, that were related to personal tax matters; (3) said services rendered by BFCA were not sought to be performed for either of the affiliated Debtors and were otherwise unrelated to the business of the Debtors; (4) the matter in question related to Maloof was clearly an individual tax matter.

Regarding John Rudd, a former officer of Debtors' estates, BFCA disclosed said representation which is unrelated to the affiliated Debtors' estates. Indeed, BFCA asserts that its current representation of Rudd has nothing to do with the Debtors' estates, but, rather, concerns various state court receiverships assigned to Rudd. BFCA further asserted its intent to terminate any further representation of Rudd, if retained. No conflict or disqualifying adverse interest is found.

Next, the United States Trustee argues the existence of a disqualifying interest regarding BFCA's former representation of the Deutsche Financial, an affiliate of Deutsche Bank Trust Company Americas, and Provident Bank. No material adverse interest is found regarding either entity. Nor has such been demonstrated by the required burden of proof. There is no indication that BFCA currently represents either lender. Lastly, no evidence was presented by the U.S. Trustee to support its allegation that BFCA represented BT Commercial Corporation, the lenders' agent, on matters directly involving the Debtors' cases. Thusly, no material adverse interest is found in that regard. It is also observed that all parties to the stipulated agreement which limited BFCA's representation to a transitional period have resolved to withdraw such limitation.

In summary, no disqualifying material adverse interest is found to warrant denial of the application. The statutory scheme of 11 U.S.C. §§ 327, 101(14), 1107(b), and Bankr. R. 2104 of the Federal Rules of Bankruptcy Procedure has been duly considered by the Court in this matter. Under § 1107(b), the following is noted:

(b) Notwithstanding section 327(a) of this title, a person is not disqualified for employment under section 327 of this title by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case.

11 U.S.C. § 1107(b). Effectively, as noted in § 1107(b), the Code carves out a narrow exception to § 327(a)'s requirement of disinterestedness for those who were merely employed prepetition by a debtor in possession. On this further basis, denial of the subject application is not warranted. Rule 2014 governs the procedure for employment of professionals serving the bankruptcy estate. No evidence was established to show any abridgement of the procedural requirements of Rule 2014. Also, no evidence was presented to show non-disclosure of matters required to be disclosed.

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Accordingly, the application of BFCA is hereby approved. The objection of the United States Trustee is hereby overruled.

IT IS SO ORDERED.

Dated, this 23RD day of
September, 2002


RANDOLPH BAXTER
UNITED STATES BANKRUPTCY JUDGE

CERTIFICATION OF SERVICE

I, hereby certify that a copy of the foregoing Memorandum of Opinion and Order was mailed by regular U. S. Mail this 23rd day of SEPTEMBER, 2002 to the following parties:

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U.S. TRUSTEE
(COURT BOX)



Deputy Clerk

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

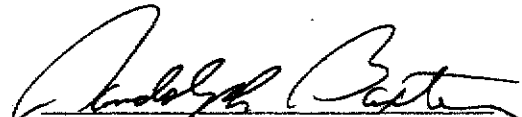
FILED
02 SEP 11 AM 9:01
CLERK U.S. BANKRUPTCY COURT
NORTH: NEM DISTRICT OF
CLEVELAND

In re: :
LEVEL PROPANE GASES, INC. : Chapter 11
Debtor. : Case No. 02-16172, et al.
WILLIAM MALOOF, : (Jointly Administered)
Appellant, : Judge RANDOLPH BAXTER
v. :
LEVEL PROPANE GASES, INC., et al., :
Appellees. :

ORDER DISMISSING APPEAL

Upon stipulation of the parties, the August 12, 2002 appeal filed by William Maloof
Against Retention of Benesch, Friedlander, Coplan & Aronoff as Attorneys for Debtor Company
Lefel (sic) Propane Gases, Inc. is hereby dismissed with all costs to William Maloof.

Date SEP 11 2002


Judge

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