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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x Case No.  
In re 02-13533 (AJG)  
WORLD COM INC., et al., New York, New York  
October 5, 2005  
Reorganized Debtors. 11:49 a.m.  
-----x

DIGITALLY RECORDED PROCEEDINGS  
(Excerpt -- Next Factors, Inc.)

Motion for an Order Granting Leave to Withdraw as Counsel of  
Record to Next Factors, Inc.  
Objection filed.

B E F O R E:

THE HONORABLE ARTHUR J. GONZALEZ  
United States Bankruptcy Judge

A P P E A R A N C E S:

WEIL, GOTSHAL & MANGES LLP  
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NEXT FACTORS, INC.  
Appearing Pro Se

DEBORAH HUNTSMAN, Court Reporter  
(212) 608-9053 (718) 774-2551 (917) 723-9898  
Proceedings Recorded by Electronic Sound Recording,  
Transcript Produced by Court Reporter

1 that were going to receive a 40 percent distribution.

2 In October of 2004, the omnibus objections to claims  
3 were filed. Next Factors filed its objection to the claim,  
4 and thereafter retained us for the limited purposes of  
5 obtaining discovery and to assist them with the objections.  
6 But they further advised us that they would be handling all  
7 matters in-house, and that our office would not be handling  
8 any of the matters. I guess it was more of an agent to relate  
9 to them information and give them advice, but they were going  
10 to handle the claims objection.

11 There were a number of adjournments requested by  
12 WorldCom with respect to the claims objection hearing, and in  
13 May of 2005, we had advised Next Factors that we would not  
14 perform any further work on their behalf. At that time we  
15 were owed about \$5,000 and change.

16 The response that we received from Next Factors was  
17 essentially that, if we wanted to be paid, essentially we  
18 would have to sue them for our outstanding invoices. One of  
19 their concerns was that we had charged them time on a motion,  
20 which I won't go into, unless Your Honor directs me to, that I  
21 refused having our firm sign and file with this Court. They  
22 insisted. We had a conversation concerning it. Apparently,  
23 that conversation was taped without my knowledge, and a copy  
24 of it is attached to their papers filed with this Court.

25 Again, since May of 2005, we repeatedly advised Next