



SO ORDERED

Judge Neil P. Olack  
United States Bankruptcy Judge  
Date Signed: July 6, 2016

**The Order of the Court is set forth below. The docket reflects the date entered.**

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF MISSISSIPPI**

**IN RE:**

**MICHAEL T. LONG AND  
JENNIFER LONG,**

**CASE NO. 15-52052-KMS**

**DEBTORS.**

**CHAPTER 11**

**IN RE:**

**COWAN ROAD AND HIGHWAY 90, LLC,**

**CASE NO. 15-52053-KMS**

**DEBTOR.**

**CHAPTER 11**

**ORDER GRANTING IN PART AND  
DENYING IN PART APPLICATIONS TO EMPLOY  
MCHARD & ASSOCIATES, PLLC AS SPECIAL COUNSEL**

In two (2) separate but related chapter 11 cases, there came before this Court<sup>1</sup> for hearing on June 6, 2016 (the “Hearing”), a common issue as to the employment of the law firm of McHard & Associates, PLLC pursuant to 11 U.S.C. § 327(e). In the first case, *In re Long*, Case No. 15-52052-KMS (the “*Longs Case*”), the debtors, Michael T. Long (“Michael Long”) and Jennifer Long (together with Michael Long, the “*Longs*”), filed the Amended Application to

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<sup>1</sup> On April 25, 2016, these contested matters were referred to the oversigned judge for final resolution. In all other respects, the above-referenced bankruptcy cases remain before U.S. Bankruptcy Judge Katharine M. Samson.

Employ Special Counsel (McHard & Associates, PLLC) (the “Longs Application”) (*Longs Case*, Dkt. 46); Joe Sam Owen (“Owen”) and Owen, Galloway & Myers, PLLC (“OGM”) filed the Response/Qualified Objection to Application to Employ Special Counsel (the “Owen Objection to the Longs Application”) (*Longs Case*, Dkt. 52); and PriorityOne Bank (“POB”) filed PriorityOne Bank’s Objection to Application to Employ Special Counsel-McHard & Associates, PLLC (the “POB Objection to the Longs Application”) (*Longs Case*, Dkt. 55). In the second case, *In re Cowan Road and Highway 90, LLC*, Case No. 15-52053-KMS (the “*Cowan Road Case*”), the debtor, Cowan Road and Highway 90, LLC (“Cowan Road”) filed the Application to Employ Special Counsel (McHard & Associates, PLLC) (the “Cowan Road Application”) (*Cowan Rd. Case*, Dkt. 54); Owen and OGM filed the Response/Qualified Objection to Application to Employ Special Counsel (the “Owen Objection to the Cowan Road Application”) (*Cowan Rd. Case*, Dkt. 60); and POB filed PriorityOne Bank’s Objection to Application to Employ Special Counsel-McHard & Associates, PLLC (the “POB Objection to the Cowan Road Application”) (*Cowan Rd. Case*, Dkt. 63). At the Hearing, the Longs and Cowan Road were represented by Jarrett P. Nichols; Owen represented himself and OGM; and Derek A. Henderson represented POB. Michael Long and Samuel S. McHard (“Sam McHard”), who is a founding member of the law firm of McHard & Associates, PLLC, testified at the Hearing. The Court, having considered the evidence and arguments presented at the Hearing, makes the following findings of facts and conclusions of law:<sup>2</sup>

### **Jurisdiction**

This Court has jurisdiction over the parties to and the subject matter of this proceeding pursuant to 28 U.S.C. § 1334. These are core proceedings under 28 U.S.C. § 157(b)(2)(A) and

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<sup>2</sup> Specifically, the Court makes the following findings of fact and conclusions of law pursuant to Federal Rule of Bankruptcy Procedure 7052.

(O). Notices of the Longs Application and the Cowan Road Application were proper under the circumstances.

### **Facts**

The Longs and Cowan Road filed separate petitions for relief under chapter 11 of the Bankruptcy Code on December 14, 2015. (*Longs Case*, Dkt. 1), (the “Cowan Road Petition”) (*Cowan Rd. Case*, Dkt. 1) According to their bankruptcy schedules, the Longs are the sole owners of Cowan Road. (*Longs Case*, Dkt 29 at 7). The Longs and Cowan Road continue to act as debtors in possession under 11 U.S.C. § 1107 in their respective bankruptcy cases. Pursuant to 11 U.S.C. § 327(e) and FED. R. BANKR. P. 2014(a), they seek the Court’s approval to employ McHard & Associates, PLLC as special counsel to assist them in various litigation matters.

#### **A. Longs Application**

Attached to the Longs Application, filed on February 10, 2016, are three (3) employment contracts signed by Michael Long and McHard & Associates, PLLC on March 12, 2013, May 15, 2014, and June 27, 2014, respectively. (*Longs Case*, Ex. A, Dkt. 46 at 4-10). These employment contracts, identified in the Longs Application as collective Exhibit A, define the scope of the proposed employment of McHard & Associates, PLLC by describing the claims held by or asserted against Michael Long in various litigation matters. They are: (1) “claims against The First” (“The First Claims”) (*Longs Case*, Ex. A at 5); (2) “claims[] in connection with property dispute against the City of Gulfport” (“Gulfport Claims”) (*Longs Case*, Ex. A at 7); and (3) “claims . . . in connection with real estate transaction, legal malpractice, breach of warranty in warranty deed, and . . . other claims against Travis Haynes” (“Haynes Claims”) (*Longs Case*, Ex. A at 9).

The employment contracts with McHard & Associates, PLLC in connection with The First Claims and the Haynes Claims are contingency fee contracts. (*Longs Case*, Ex. A at 5 & 9). In contrast, the employment contract in connection with the Gulfport Claims is an hourly fee contract (the “Longs Contract”) (*Longs Case*, Ex. A at 7). Michael Long and Sam McHard both testified at the Hearing that all attorneys’ fees incurred after the bankruptcy filing, including those fees incurred in connection with the Gulfport Claims, would be paid on a contingency fee basis and not on an hourly rate basis.

Attached as Exhibit B to the Longs Application is the affidavit of Marcus McLelland (“McLelland”), an attorney associated with the law firm of McHard & Associates, PLLC. (*Longs Case*, Ex. B, Dkt. 46 at 11-12). McLelland testified in his affidavit that neither he nor any member of McHard & Associates, PLLC holds any interest adverse to the Longs or their bankruptcy estates with respect to the matters in which they seek to be employed, except that McLelland and McHard & Associates, PLLC represented the Longs in those same matters prior to the filing of their bankruptcy case. (*Id.* at 12). He also testified in his affidavit that McHard & Associates, PLLC agreed to “waive payment of any amounts owed to McHard prior to the filing of the bankruptcy case.” (*Id.*).

No written objection was filed opposing the employment of McHard & Associates, PLLC as special counsel to pursue The First Claims or the Haynes Claims on behalf of the Longs’ bankruptcy estate. Owen and POB, however, argue that it would not be in the best interest of the bankruptcy estates of the Longs to employ McHard & Associates, PLLC as special counsel to litigate the Gulfport Claims. For that reason, the circumstances surrounding the Gulfport Claims require further discussion.

The Gulfport Claims encompass the following litigation:

1. *Cowan Road & Hwy 90, LLC v. City of Gulfport, Mississippi, a Mississippi Municipal Corporation, Chateau Mississippi Investments, LLC, a Louisiana Limited Liability Company, and PriorityOne Bank*, Cause No. D2401-13-1315 (the “Inverse Condemnation Case”);

2. *Harrison County Utility Authority v. Cowan Road & Hwy 90, LLC, Record Title Owner; David V. Larosa, Sr., Tax Collector; Robert J. Barnes, Trustee; Steven D. Peters, Interested Party; BBB Certificates, Interested Party*, Cause No. D2401-13-898 (the “Eminent Domain Case I”); and

3. *Harrison County Utility Authority v. Cowan Road & Hwy 90, LLC, Record Title Owner; David V. Larosa, Sr., Tax Collector; Robert J. Barnes, Trustee; Steven D. Peters, Interested Party; BBB Certificates, Interested Party*, Cause No. D2401-13-900 (the “Eminent Domain Case II”).

(*Longs Case*, POB Obj. at 1-2). Eminent Domain Cases I and II were consolidated into a single action (the “Eminent Domain Cases”). (*Id.* at 2). As of the Hearing, the Inverse Condemnation Case and the Eminent Domain Cases were pending before Judge Mills Barbee in the Special Court of Eminent Domain. This litigation involves the same parcels of land located in Gulfport, Mississippi (the “Cowan Road Property”).

The Court will not recite the allegations and defenses related to the Gulfport Claims in detail. Suffice it to say that Michael Long and Cowan Road challenge certain actions taken by the City of Gulfport and/or the Harrison County Utility Authority with respect to the Cowan Road Property. During the past six (6) years, there have been multiple hearings before four (4) different judges in both the Chancery Court of Harrison County, Mississippi, and the Special Court of Eminent Domain in Harrison County, Mississippi, related to this property dispute. (*Longs Case*, Owen Obj. at 2, Dkt. 52).

In the POB Objection to the Longs Application, filed on February 23, 2016, POB asserts that any funds that the Longs may receive as a result of the litigation of the Gulfport Claims are the collateral of POB. (*Longs Case*, POB Obj. at 2). Prior to the bankruptcy filings, Cowan Road executed a note and deed of trust in favor of POB on the Cowan Road Property, and

Michael Long guaranteed the note. (*Cowan Rd. Case*, Dkt. 13 at 2). POB agreed to subordinate its lien position to the attorneys' fees and expenses of OGM as to any recovery from the litigation of the Gulfport Claims. Therefore, if there were any recovery as a result of the litigation of the Gulfport Claims, OGM would be paid first with the balance to be paid to POB based on its first lien position. (*Longs Case*, Ex. B, Dkt. 52-2). POB objected, however, to the employment of McHard & Associates, PLLC on the ground that additional counsel or substitute counsel was a "waste of time and money" and would not be in the best interest of the Longs' bankruptcy estates. (*Longs Case*, POB Obj. at 3, Dkt. 55). As a result, POB refused to subordinate its lien position to the attorneys' fees and expenses of McHard & Associates, PLLC.

In the Owen Objection to the Longs Application, filed on February 19, 2016, Owen and OGM contended that on November 1, 2010, Michael Long signed an Employment Contract and Contingent Fee Agreement with OGM (the "OGM Employment Contract") (*Longs Case*, Dkt. 52-1) in connection with the Gulfport Claims in which Michael Long assigned a lien of forty percent (40%) of any amounts recovered to OGM. Since then, Owen has served as lead counsel for Cowan Road in that litigation. Echoing the same allegations in the POB Objection to the Longs Application, Owen and OGM pointed out in the Owen Objection to the Longs Application that POB agreed to subordinate its lien on the proceeds from any recovery resulting from the litigation of the Gulfport Claims to the attorneys' fees lien of OGM. Owen and OGM assert that any monies received as a result of the litigation of the Gulfport Claims, up to the lien amount of POB, belong to Owen and OGM. In short, the sole concern of Owen and OGM is that the employment of McHard & Associates, PLLC as special counsel may vitiate or supplant the OGM Employment Contract "and result in a forfeiture of over five and a half years of legal work and expenses incurred by Owen and OGM." (*Longs Case*, Owen Obj. at 6).

**B. Cowan Road Application**

Attached to the Cowan Road Application, filed on February 8, 2016, is a contract of employment signed by Michael Long (on behalf of Cowan Road) and McHard & Associates, PLLC (the “Cowan Road Contract”) (*Cowan Rd. Case*, Ex. A, Dkt. 54 at 5). The Cowan Road Contract involves the Gulfport Claims and except for the name of the client, is nearly identical to the Longs Contract. (Id.) Owen and POB oppose the Cowan Road Contract for the same reasons they object to the Longs Contract. Thus, the only matter in dispute with respect to the Longs Application and Cowan Road Application is the proposed employment of McHard & Associates, PLLC as special counsel in connection with the Gulfport Claims and the Cowan Road Property.

**C. Agreed Order Terminating Automatic Stay and Abandoning Cowan Road Property**

On December 17, 2015, before the Longs Application and Cowan Road Application were filed, POB filed the Motion for Abandonment and Request for Relief from § 362 Automatic Stay Regarding Real Property (the “Motion for Stay Relief and Abandonment”) (*Cowan Rd. Case*, Dkt. 13) in the *Cowan Road Case*. In the Motion for Stay Relief and Abandonment, POB alleged that Cowan Road owed, as of the date of the Cowan Road Petition, \$2,962,977.79 on the note secured by the deed of trust on the Cowan Road Property. POB further alleged that the current value of the Cowan Road Property was insufficient to pay the indebtedness owed to POB. For that reason, and because Cowan Road defaulted under the loan documents and had no source of income to pay the debt, POB asked the Court, pursuant to 11 U.S.C. § 362(d), to terminate the automatic stay to allow POB “to take any and all steps to foreclose on, liquidate, or otherwise take possession, custody or control” of the Cowan Road Property. (*Cowan Rd. Case*,

Dkt. 13 at 12). POB also asked the Court to order Cowan Road to abandon the Cowan Road Property pursuant to 11 U.S.C. § 554(b) as “being of inconsequential value and benefit to the bankruptcy estate.” (*Cowan Rd. Case*, Dkt. 13 at 13). Cowan Road filed the Response and Objection of Debtor to Motion for Abandonment and Request for Relief (*Cowan Rd. Case*, Dkt. 46) on January 21, 2016.

The parties resolved their dispute regarding the Motion for Stay Relief and Abandonment, and the Agreed Order on Motion for Abandonment and Request for Relief from § 362 Automatic Stay Regarding Real Property (the “Agreed Order”) (*Cowan Rd. Case*, Dkt. 77) and Final Judgment (*Cowan Rd. Case*, Dkt. 78), were entered on March 9, 2016. Pursuant to the Agreed Order, the Cowan Road Property would be abandoned from the bankruptcy estate of Cowan Road on May 31, 2016, and the § 362 automatic stay would be terminated on that same date to allow POB to proceed with foreclosure proceedings.

Notwithstanding the Agreed Order, on May 31, 2016, Cowan Road filed the Motion for Authority to Sell Property of the Estate Free and Clear of Liens, Claims and Interests (the “Motion to Sell”) (*Cowan Rd. Case*, Dkt. 106), seeking permission from the Court to sell the Cowan Road Property to The Hyneman Companies, LLC for a purchase price of \$1,600,000.00. The next day, June 1, 2016, POB filed the Notice of Abandonment and Termination of § 362 Automatic Stay (*Cowan Rd. Case*, Dkt. 111), providing notice that the Cowan Road Property had been abandoned from the estate and that the § 362 automatic stay had been terminated to allow POB to foreclose on its collateral.

Notably, the Agreed Order and Final Judgment were entered after the Longs Application, Cowan Road Application, the Owen Objection to the Longs Application, the POB Objection to the Longs Application, the Owen Objection to the Cowan Road Application, and the POB



Objection to the Cowan Road Application were filed. Consequently, none of the parties addressed in any pleading the impact of the Agreed Order and Final Judgment on the Cowan Road Application or the Longs Application. In both the Owen Objection to the Longs Application and the Owen Objection to the Cowan Road Application, however, Owen and OGM suggested that the Court hold the Longs Application and Cowan Road Application in abeyance until the Court disposed of the Motion for Stay Relief and Abandonment on the ground that its disposition “may render moot the issues raised in the subject response provided the objective . . . is not to invalidate the employment contract with Owen/OGM.” (*Longs Case*, Dkt. 52 at 2; *Cowan Rd. Case*, Dkt. 60 at 2).

**D. Adversary Proceeding**

Less than two (2) weeks after the Hearing, Cowan Road initiated an adversary proceeding against POB by filing a Complaint (the “*Cowan Rd. Complaint*”) on June 16, 2016, in Adv. No. 16-06024-KMS (*Cowan Rd. Adv.*, Dkt. 1). In the *Cowan Rd. Complaint*, Cowan Road asked the Court to enjoin POB from prosecuting its foreclosure sale against the Cowan Road Property (scheduled to take place on June 30, 2016) pending the Court’s ruling on the Motion to Sell. On the same day it filed the *Cowan Rd. Complaint*, Cowan Road filed an emergency Motion for Injunctive Relief (the “Motion for Preliminary Injunction”) (*Cowan Rd. Adv.*, Dkt. 3), asking the Court to enjoin the June 30, 2016, foreclosure sale from taking place. In PriorityOne Bank’s Response to Motion for Injunctive Relief (*Cowan Rd. Adv.*, Dkt. 12), POB argued that Cowan Road’s request was a bad faith attempt to ignore the terms and provisions of the Agreed Order and that Cowan Road cannot sell assets abandoned from its bankruptcy estate. After a hearing held on June 23, 2016, the Court<sup>3</sup> ruled from the bench, denying the Motion for Preliminary

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<sup>3</sup> See *supra* note 1.

Injunction (*Cowan Rd. Adv.*, Dkt. 14), dismissing the *Cowan Rd. Complaint* (*Cowan Rd. Adv.*, Dkt. 15), and denying the Motion to Sell (*Cowan Rd. Case*, Dkt. 123).

### **Discussion**

Pursuant to 11 U.S.C. § 1107(a), a debtor in possession of a chapter 11 bankruptcy estate has the same rights and responsibilities as a trustee, including the authority to employ professionals at the expense of the bankruptcy estate. Under 11 U.S.C. § 327(a), a trustee or, as here, a debtor in possession, may employ, with court approval, an attorney to assist him in carrying out his duties, provided the attorney is a “disinterested person” and does not hold or represent an interest adverse to the bankruptcy estate.<sup>4</sup> Section 101(14) defines a disinterested person as someone who is not a creditor, equity security holder, or insider of the debtor and who is not, and was not within the past two (2) years, a director, officer, or employee of the debtor. 11 U.S.C. § 101(14)(A)-(B). A disinterested person is also defined in the statute as someone who “does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor . . . .” 11 U.S.C. § 101(14)(C). This latter prong of the definition includes the adverse interest language that appears in 11 U.S.C. § 327(a).

Section 327(e) creates a limited exception to the disinterested test set forth in 11 U.S.C. § 327(a). *See* 11 U.S.C. § 327(e). Section 327(e) authorizes the trustee to employ as special

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<sup>4</sup> Section 327(a) provides in full:

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.

11 U.S.C. § 327(a).

counsel an attorney who otherwise may not be “disinterested” and eligible for employment under 11 U.S.C. § 327(a), as follows:

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). Thus, the statute contains a three-prong test for the employment of special counsel who previously has represented the debtor. First, the employment may only be authorized for a “specified special purpose,” other than to represent the trustee in “conducting the case.” Second, the proposed attorney or law firm “does not represent or hold any interest adverse to the debtor or to the estate” with respect to the specified special purpose of the proposed employment. Finally, the employment of special counsel for a specified purpose must be in the “best interest of the estate.” Section 327(e) serves the purpose of allowing “counsel who cannot meet the disinterested requirement of [11 U.S.C.] §327(a) nevertheless to render valuable services to the debtor in matters where counsel has no adverse interest.” *In re Tidewater Mem’l Hosp., Inc.*, 110 B.R. 221, 227 (Bankr. E.D. Va. 1989); S. REP. NO. 95-989, at 38-39 (1977), as reprinted in 1978 U.S.C.C.A.N. 5824-25 (“[C]hanging attorneys in the middle of the case after the bankruptcy case has commenced would be detrimental to the progress of that other litigation.”). The Fifth Circuit Court of Appeals has observed that the standards set forth in 11 U.S.C. § 327 require strict compliance. *I.G. Petroleum, L.L.C.*, 432 F.3d at 355. Also, the

applicant seeking to employ special counsel has the burden of proving that the employment is proper.<sup>5</sup> *In re Johnson*, 433 B.R. 626, 635 (Bankr. S.D. Tex. 2010).

Based on Sam McHard's testimony, the Court concludes that McHard & Associates, PLLC does not have an interest adverse to the Longs, Cowan Road, or to their respective estates as to any of the litigation. Moreover, the proposed employment of McHard & Associates, PLLC is for a "specified special purpose." Finally, the Longs have shown that the employment of McHard & Associates, PLLC as special counsel with respect to the First Claims and the Haynes Claims is in the best interest of their bankruptcy estates. The Court turns next to the issues raised by Owen and POB regarding the Longs Contract and Cowan Road Contract, that is, whether the employment of McHard & Associates, PLLC as special counsel to prosecute and defend the Gulfport Claims is in the best interest of the bankruptcy estates of the Longs and Cowan Road.

The burden of proving that there is an actual need for the legal services of McHard & Associates, PLLC to protect or increase the assets of their respective bankruptcy estates rests on the Longs and Cowan Road. *See In re Duque*, 48 B.R. 965, 974-75 (S.D. Fla. 1984). Estate assets generally may be used to pay attorneys' fees only if those fees benefit the estate by, for example, increasing the assets of the estate. *Id.* at 975. This benefit is "gauged by needs of the estate and whether it is directly related to the debtor in possession's performance of duties under the bankruptcy code." *In re Estate of LaRosa*, 364 B.R. 612, 617 (Bankr. N.D.W. Va. 2007) (citing *Ferrara & Hantman v. Alvarex (In re Engel)*, 124 F.3d 567, 575 (3d Cir. 1997)).

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<sup>5</sup> The employment of special counsel under 11 U.S.C. § 327(e) is only the first step toward compensation from estate assets. The second step requires consideration of 11 U.S.C. § 330(a). Under that statute, compensation is not appropriate for "services that were not—(I) reasonably likely to benefit the debtor's estate; or (II) necessary to the administration of the case." 11 U.S.C. § 330(a)(4)(A)(ii)(I-II).

The most poignant fact in determining whether approval of the Longs Contract and the Cowan Road Contract is in the best interest of the bankruptcy estates was not addressed by any of the parties until the close of the Hearing when POB's counsel pointed out, rather belatedly, that Cowan Road abandoned the Cowan Road Property under 11 U.S.C. § 554 and the automatic stay was terminated under 11 U.S.C. § 362 pursuant to the Agreed Order. Property of a bankruptcy estate includes almost all of the assets of a debtor. *See* 11 U.S.C. § 541(a)(1) (defining property of the estate as “all legal or equitable interests of the debtor in property as of the commencement of the case”); 11 U.S.C. § 1115 (defining property of estate of individual debtor in a chapter 11 case as all property specified in 11 U.S.C. § 541, plus all such property and earnings acquired after the commencement of the case but before the case is closed, dismissed, or converted). When property previously included in a bankruptcy estate is abandoned, the effect of the abandonment is to divest the estate of its interest in that property. *See* 11 U.S.C. § 554; 5 COLLIER IN BANKRUPTCY ¶ 554.02[3] (16th ed. 2016). Moreover, abandonment generally is irrevocable, a point made by the Court at the hearing when it denied from the bench the Motion for Preliminary Injunction (*Cowan Rd. Adv.*, Dkt. 14), dismissed the *Cowan Rd.* Complaint (*Cowan Rd. Adv.*, Dkt. 15), and denied the Motion to Sell (*Cowan Rd. Case*, Dkt. 123). *See Killebrew v. Brewer (In re Killebrew)*, 888 F.2d 1516, 1520 & n.10 (5th Cir. 1989) (noting that abandonment is revocable only under limited exceptions, such as where the property was “concealed or where the trustee lacks ‘knowledge or sufficient means of knowledge, of its existence’”) (quotation omitted).

The Cowan Road Property was abandoned, and the automatic stay was terminated by agreement of the parties.<sup>6</sup> Because the litigation regarding the Gulfport Claims no longer involves assets of the bankruptcy estate of Cowan Road, the Court finds that the Longs and Cowan Road have failed to show that their respective bankruptcy estates will receive any benefit from the approval of the Longs Application or the Cowan Road Application. Accordingly, the Court finds that the Longs Application and the Cowan Road Application as to the Gulfport Claims should be denied on the ground that the employment of McHard & Associates, PLLC as special counsel would not be in the best interest of the estates.

IT IS, THEREFORE, ORDERED that the Longs Application for employment of McHard & Associates, PLLC as special counsel in connection with The First Claims is hereby granted.

IT IS FURTHER ORDERED that the Longs Application for employment of McHard & Associates, PLLC as special counsel in connection with the Haynes Claims is hereby granted.

IT IS FURTHER ORDERED that the Longs Application and the Cowan Road Application for employment of McHard & Associates, PLLC as special counsel in connection with the Gulfport Claims is hereby denied.

##END OF ORDER##

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<sup>6</sup> The foreclosure of the Cowan Road Property presumably took place on June 30, 2016, in light of the denial of the Motion for Preliminary Injunction.