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UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF NEW YORK

**DOCKETED**

In re

JAMES J. MICHALEK

Case No. 89-12184 K

Debtor

ORDER

Whereas by Order granted October 22, 1991 (and amended October 30, 1991), the United States District Court for this District directed that this Court determine whether a conflict of interest existed as of September 17, 1990, prohibiting Robert Feldman, Esq. from simultaneously representing on that day the Unsecured Creditor's Committee and certain individual unsecured creditors, and if so, whether the conversion of this case ordered on September 17, 1990, from Chapter 11 to Chapter 7, was in the best interest of creditors of the estate, and

Whereas by Order and Notice dated December 16, 1991, this Court advised all parties-in-interest of the District Court's directive, and invited any party-in-interest having actual knowledge of any specific facts bearing upon the possibility of such conflict of interest to file an affidavit in that regard with the Court no later than January 10, 1992 at 9:30 a.m. and said Order and Notice further advised that a hearing would be conducted on January 23, 1992, at 9:30 a.m. to entertain Mr. Feldman's response to any such affidavit, and

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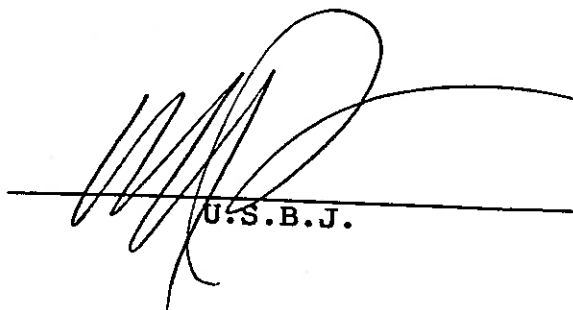
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Whereas, the announced hearing was in fact conducted on January 23, 1992, at which hearing the Court entertained the affirmations of Mr. Feldman as well as the representations of Christopher Reed, Assistant U.S. Trustee and also those of Ann E. Evanko, Esq., on behalf of 100 or more creditors in this case, and

Whereas the Court thereupon rendered upon the record its findings and conclusions, and the record of said hearing was ordered to be transcribed and placed in the official case file, it is now

ORDERED upon the basis of the findings and conclusions so placed upon the record, that no conflict of interest existed as to Mr. Feldman's simultaneous representation of the Committee and of certain individual unsecured creditors. Consequently, and in accordance with the District Court's affirmance of this Court's earlier finding that cause existed for conversion, this case is properly proceeding under Chapter 7 and shall so continue.

Dated: Buffalo, New York  
January 28, 1992

  
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U.S.B.J.