

Exhibit A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

MUZAK HOLDINGS LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 09-10422 (KJC)
)
)
) Jointly Administered
)
) Related to Docket No. 288
)

**ORDER ESTABLISHING A FEE REVIEW COMMITTEE
AND APPROVING PROTOCOLS RELATED THERETO**

Upon the Court's instructions at the April 15, 2009 hearing in the above-captioned chapter 11 cases (the "Hearing") for the debtors and debtors in possession (the "Debtors") and the statutory committee of unsecured creditors appointed in these chapter 11 cases (the "Committee") to submit a protocol that can be followed by the members of an appointed fee review committee (the "Fee Review Committee") to guide and establish procedures for the review of fee applications filed in these chapter 11 cases; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; and it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. §

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are: Muzak Holdings LLC (3730); Muzak Holdings Finance Corp. (3728); Muzak LLC (3729); Background Music Broadcasters, Inc. (3014); Muzak Capital Corporation (2302); MLP Environmental Music, LLC (6098); Business Sound, Inc. (9525); BI Acquisition, LLC (6049); Muzak Finance Corp. (7963); Electro-Systems Corporation (6059); Audio Environments, Inc. (4111); Telephone Audio Productions, Inc. (4894); Vortex Sound Communications Company, Inc. (3711); Muzak Houston, Inc. (9984); and Music Incorporated (3710). The location of the Debtors' corporate headquarters and the service address for all the Debtors is: 3318 Lakemont Boulevard, Fort Mill, South Carolina 29708.

157(b)(2); and it appearing that venue of this proceeding in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the establishment of a Fee Review Committee on the record at the Hearing being sufficient and no other or further notice needed to be provided; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED

1. The Fee Review Committee, to be comprised of one representative of the Debtors, one representative designated by the Committee and one representative from the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), is hereby established and is vested with authority to take actions in accordance with the fee review committee protocol attached hereto as **Exhibit A** (the “FRC Protocol”).

2. The FRC Protocol is approved in its entirety.

3. The Fee Review Committee is hereby designated as a party in interest in these chapter 11 cases and its members shall have standing to appear before the Court in matters related to their review of professional fees and expenses incurred during the course of these chapter 11 cases.

4. The qualified immunity privileges provided to members of the Fee Review Committee as set forth in the FRC Protocol are specifically approved.

5. The Debtors and the Committee are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

6. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

8. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Date: June __, 2009

Honorable Kevin J. Carey
Chief Judge, United States Bankruptcy Court

EXHIBIT A
FRC PROTOCOL

**IN THE UNITED STATES BANKRUPTCY COURT
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In re:)	
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Debtors.)	Jointly Administered
)	
)	
)	

PROPOSED PROTOCOL FOR FEE REVIEW COMMITTEE

Effective [_____] , 2009, the following is the protocol (the “Protocol”) to be followed by the members of the fee review committee (the “FRC”) appointed in connection with the above-captioned chapter 11 cases of the above-referenced debtors and debtors in possession (collectively, the “Debtors”), Case No. 09-10422, pending in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The FRC has been formed to, among other things, review compensation and expense reimbursement requests made by the Debtors’ and the statutory committee of unsecured creditors appointed in these chapter 11 cases (the “Committee”) professionals in these chapter 11 cases. The Protocol shall guide the FRC in its review of fee applications filed in the Debtors’ chapter 11 cases.

BACKGROUND

Pursuant to the *Amended Order Authorizing The Debtors To Establish Procedures For Interim Compensation And Reimbursement of Expenses For Professionals And Statutory Committee Members*, entered on April 24, 2009 [Docket No. 252] (the “Interim Compensation Order”) the Bankruptcy Court established procedures for the submission of monthly fee statements (the “Monthly Fee Statements”) and interim fee applications (the “Interim Applications”) by professionals retained in these chapter 11 cases (each, a “Professional,” and

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collectively, the “Professionals”) seeking compensation for services rendered and reimbursement of expenses incurred. By an order dated June [], 2009 the Bankruptcy Court adopted the Debtors’ and the Committee’s request for the appointment of the FRC in these chapter 11 cases (the “Order”).

The members of the FRC (collectively, the “Members”), as of the date of the Protocol, are as follows: (a) one representative of the Debtors, (b) one representative designated by the Committee and (c) one representative from the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”). The Members may be changed from time to time, as necessary and appropriate, with notice to the other Members. The Members of the FRC, as of the date of the Protocol, are set forth on **Exhibit 1** hereto. In the event that a Member is unable to attend a particular meeting, another representative, designated by the Member, may attend in his or her place.

PROTOCOL

The affirmative tasks set forth in this Protocol that the Professionals in these chapter 11 cases will be required to perform in connection with the submission of Interim Applications seeking compensation for services rendered and reimbursement for expenses incurred will be required for all prior Interim Applications as of the date of the Order, in addition to Interim Applications that will be filed in the future.

In furtherance of the goal to regulate and maintain professional fees incurred in these chapter 11 cases at a reasonable level without compromising the quality of the representation provided by each Professional, the FRC will: (i) review each Professional’s Interim Applications in light of the billing guidelines set forth pursuant to Rule 2016 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rule 2016”) and the U.S. Trustee Guidelines for Reviewing Applications for Compensation, dated May 17, 1996 (the “U.S. Trustee Guidelines” and, together with Local Rule 2016, the “Fee Guidelines”) attached hereto as **Exhibit 2**; (ii) negotiate with the Professionals regarding issues or concerns the FRC may raise with respect to the fees or expenses requested in any Professional’s Interim Applications; and (iii) make recommendations to the Professionals and, to the extent necessary, the Bankruptcy Court regarding the amounts sought by each Professional in each Interim Application.

Proposed Interim Compensation Procedures

- (i) On or after the 20th day of each month following the month for which compensation is sought, each Professional seeking interim allowance of its fees and expenses will serve, by electronic delivery, a Monthly Fee Statement of all professional fees and disbursements incurred by the respective Professional during the preceding calendar month upon the FRC and such other parties as are required to be served under the Interim Compensation Order;
- (ii) approximately every 120 days, but no more than every 150 days (each, a “Fee Period”) and in accordance with (and except as provided in) the timetable for submitting Interim Applications established in the Interim Compensation Order,

each Professional shall file Interim Applications with the Bankruptcy Court and serve the Interim Applications in accordance with the Interim Compensation Order. In addition to filing and serving the Interim Applications, each Professional shall use commercially reasonable efforts to submit electronically to the U.S. Trustee and the Debtors such non-privileged information related to the Interim Applications as reasonably requested by the U.S. Trustee and the Debtors;

- (iii) simultaneously with their filing of each Interim Application with the Bankruptcy Court, each Professional shall furnish to the FRC and the U.S. Trustee an electronic copy of their Interim Application detailing all professional fees and disbursements incurred by the respective Professional during the preceding Fee Period;
- (iv) each Interim Application will contain the following information: (a) a list of the individuals and their respective titles (e.g., attorney, accountant, or paralegal) who provided services during the Fee Period; (b) a summary schedule of the fees for each individual (broken down by professional and/or paraprofessional with applicable billing rates); (c) the aggregate hours worked by each individual during the Fee Period; (d) the blended rate of lawyers that performed services during the Fee Period; (e) contemporaneously maintained time entries for each individual in increments of tenths (1/10) of an hour, unless otherwise approved by the Bankruptcy Court; (f) a reasonably detailed breakdown of the disbursements incurred (no Professional should seek reimbursement of an expense which would otherwise not be allowed pursuant to the Fee Guidelines, attached hereto as Exhibit 2); and (g) documentation in support of any expenses as the FRC may request;
- (v) should the FRC request additional information with respect to any fees requested or disbursements incurred from one or more of the Professionals, such Professional shall provide the requested information to the FRC on a timely basis;
- (vi) the FRC is required to convene a meeting, which may be telephonic, at least once with respect to each applicable Fee Period at which meeting two (2) Members shall constitute a quorum;
- (vii) at such meeting, the FRC will consider the Interim Applications, formulate objection(s) to such Interim Applications, if appropriate, and determine whether to recommend that the amount of the fees or disbursements to be paid pursuant to the Interim Applications be reduced. The FRC will act by the majority vote of its Members, with each Member having one vote. Any recommendation by the FRC to reduce such Professional's fees or expenses is without prejudice to such Professional's right to seek allowance of the entire fee and disbursement amount pursuant to the Interim Application;
- (viii) no less than seven days before the hearing at which the applicable Interim Application(s) will be presented to the Bankruptcy Court (each, a "Hearing"), the FRC will circulate to the Professionals its recommendations with respect to the

reasonableness of the fees and disbursements requested in the Interim Applications, which recommendations may be informal and delivered either in writing (via email or otherwise) or orally;

- (ix) each Professional and the FRC will work, in good faith, to resolve any issues the FRC raises in its recommendations with respect to a Professional's Interim Application;
- (x) in the event that a Professional and the FRC are unable to resolve an issue with respect to the FRC's recommendations, the FRC shall have standing to raise such issues with the Bankruptcy Court;
- (xi) The FRC shall file a statement or pleading with the Bankruptcy Court, before the filing of the hearing agenda, detailing its conclusions as to the reasonableness of the fees and disbursements requested in the Interim Applications (including any unresolved issues), its recommendations for allowance of such fees and disbursements and any resolutions it may have reached with a particular Professional, if applicable, and shall serve a hard copy of any such statement or pleading, if any, on the U.S. Trustee pursuant to Rule 9034 of the Federal Rules of Bankruptcy Procedure;
- (xii) any Professional whose Interim Application is the subject of a recommended reduction by the FRC may file a reply to any statement or pleading with the Bankruptcy Court and shall serve a hard copy of the reply on the U.S. Trustee;
- (xiii) the FRC shall consider the Fee Guidelines in making recommendations for the allowance or reduction of fees and expenses;
- (xiv) a determination by the FRC with respect to any Interim Application will not prejudice the right of the U.S. Trustee, any party in interest or any individual Member to object to an Interim Application in its non-Member capacity;
- (xv) to the extent necessary, the FRC may utilize the services of the Debtors' professionals, the Committee's professionals or its own professionals, in the FRC's discretion, to assist the FRC in complying with this Protocol (*e.g.*, the electronic filing of court documents, appearing in Bankruptcy Court on behalf of the FRC). In the event that the Debtors' professionals or the Committee's professionals assist the FRC, such firms may seek reasonable fees and expenses incurred in connection with the provision of such services. In the event that the FRC decides to use its own professionals, such professionals shall apply for compensation in accordance with the Interim Compensation Order;
- (xvi) Members of the FRC will not receive compensation for their service on the FRC or time expended on FRC matters and service on the FRC will not entitle any Member to compensation under section 503(b) of the Bankruptcy Code and any right to such claim is expressly waived. All Members are entitled to reimbursement for reasonable, documented out-of-pocket costs and expenses.

Such FRC expenses include professional fees incurred by the FRC's professionals, if any, *provided, however*, that the FRC's professionals shall apply for reimbursement of FRC related expenses in accordance with the Interim Compensation Order;

- (xvii) none of the Members of the FRC, in their capacity as a Member, shall have or incur any liability to any entity (including the Debtors and their affiliates) for any act taken or omitted to be taken in connection with their service on the FRC as described herein; *provided, however*, that the foregoing shall not affect the liability of any Member protected pursuant to this paragraph that otherwise would result from any such act or omission to the extent that such act or omission is determined in a final non-appealable order to have constituted a breach of fiduciary duty, gross negligence, or willful misconduct, including, without limitation, fraud and criminal misconduct, or the breach of any confidentiality agreement or order. Without limiting the foregoing, the exculpation provided in this paragraph shall be coextensive with any Member's qualified immunity under applicable law.

The Protocol may be amended only by a majority vote of the FRC or by Order of the Bankruptcy Court, and the Professionals and the U.S. Trustee shall be afforded notice of any proposed amendment to the Protocol.

EXHIBIT 1

FEE REVIEW COMMITTEE MEMBERS

[MEMBER #1]

[MEMBER #2]

[MEMBER #3]

EXHIBIT 2
FEE GUIDELINES

**GUIDELINES FOR REVIEWING APPLICATIONS FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES
FILED UNDER 11 U.S.C. §330
(Appendix A to 28 C.F.R. § 58)**

(a) General Information.

(1) The Bankruptcy Reform Act of 1994 amended the responsibilities of the United States Trustees under 28 U.S.C. 586(a)(3)(A) to provide that, whenever they deem appropriate, United States Trustees will review applications for compensation and reimbursement of expenses under section 330 of the Bankruptcy Code, 11 U.S.C. 101, et seq. ("Code"), in accordance with procedural guidelines ("Guidelines") adopted by the Executive Office for United States Trustees ("Executive Office"). The following Guidelines have been adopted by the Executive Office and are to be uniformly applied by the United States Trustees except when circumstances warrant different treatment.

(2) The United States Trustees shall use these Guidelines in all cases commenced on or after October 22, 1994.

(3) The Guidelines are not intended to supersede local rules of court, but should be read as complementing the procedures set forth in local rules.

(4) Nothing in the Guidelines should be construed:

(i) To limit the United States Trustee's discretion to request additional information necessary for the review of a particular application or type of application or to refer any information provided to the United States Trustee to any investigatory or prosecutorial authority of the United States or a state;

(ii) To limit the United States Trustee's discretion to determine whether to file comments or objections to applications;
or

(iii) To create any private right of action on the part of any person enforceable in litigation with the United States Trustee or the United States.

(5) Recognizing that the final authority to award compensation and reimbursement under section 330 of the Code is vested in the Court, the Guidelines focus on the disclosure of information relevant to a proper award under the law. In evaluating fees for professional services, it is relevant to consider various factors including the following: the time spent; the rates charged;

whether the services were necessary to the administration of, or beneficial towards the completion of, the case at the time they were rendered; whether services were performed within a reasonable time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and whether compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in non-bankruptcy cases. The Guidelines thus reflect standards and procedures articulated in section 330 of the Code and Rule 2016 of the Federal Rules of Bankruptcy Procedure for awarding compensation to trustees and to professionals employed under section 327 or 1103. Applications that contain the information requested in these Guidelines will facilitate review by the Court, the parties, and the United States Trustee.

(6) Fee applications submitted by trustees are subject to the same standard of review as are applications of other professionals and will be evaluated according to the principles articulated in these Guidelines. Each United States Trustee should establish whether and to what extent trustees can deviate from the format specified in these Guidelines without substantially affecting the ability of the United States Trustee to review and comment on their fee applications in a manner consistent with the requirements of the law.

(b) Contents of Applications for Compensation and Reimbursement of Expenses. All applications should include sufficient detail to demonstrate compliance with the standards set forth in 11 U.S.C. s 330. The fee application should also contain sufficient information about the case and the applicant so that the Court, the creditors, and the United States Trustee can review it without searching for relevant information in other documents. The following will facilitate review of the application.

(1) Information about the Applicant and the Application. The following information should be provided in every fee application:

(i) Date the bankruptcy petition was filed, date of the order approving employment, identity of the party represented, date services commenced, and whether the applicant is seeking compensation under a provision of the Bankruptcy Code other than section 330.

(ii) Terms and conditions of employment and compensation, source of compensation, existence and terms controlling use of a retainer, and any budgetary or other limitations on fees.

(iii) Names and hourly rates of all applicant's professionals and paraprofessionals who billed time, explanation of any changes in hourly rates from those previously charged, and statement of whether the compensation is based on the customary compensation charged by comparably skilled practitioners in cases other than

cases under title 11.

(iv) Whether the application is interim or final, and the dates of previous orders on interim compensation or reimbursement of expenses along with the amounts requested and the amounts allowed or disallowed, amounts of all previous payments, and amount of any allowed fees and expenses remaining unpaid.

(v) Whether the person on whose behalf the applicant is employed has been given the opportunity to review the application and whether that person has approved the requested amount.

(vi) When an application is filed less than 120 days after the order for relief or after a prior application to the Court, the date and terms of the order allowing leave to file at shortened intervals.

(vii) Time period of the services or expenses covered by the application.

(2) Case Status. The following information should be provided to the extent that it is known to or can be reasonably ascertained by the applicant:

(i) In a chapter 7 case, a summary of the administration of the case including all moneys received and disbursed in the case, when the case is expected to close, and, if applicant is seeking an interim award, whether it is feasible to make an interim distribution to creditors without prejudicing the rights of any creditor holding a claim of equal or higher priority.

(ii) In a chapter 11 case, whether a plan and disclosure statement have been filed and, if not yet filed, when the plan and disclosure statement are expected to be filed; whether all quarterly fees have been paid to the United States Trustee; and whether all monthly operating reports have been filed.

(iii) In every case, the amount of cash on hand or on deposit, the amount and nature of accrued unpaid administrative expenses, and the amount of unencumbered funds in the estate.

(iv) Any material changes in the status of the case that occur after the filing of the fee application should be raised, orally or in writing, at the hearing on the application or, if a hearing is not required, prior to the expiration of the time period for objection.

(3) Summary Sheet. All applications should contain a summary or cover

sheet that provides a synopsis of the following information:

- (i) Total compensation and expenses requested and any amount(s) previously requested;
- (ii) Total compensation and expenses previously awarded by the court;
- (iii) Name and applicable billing rate for each person who billed time during the period, and date of bar admission for each attorney;
- (iv) Total hours billed and total amount of billing for each person who billed time during billing period; and
- (v) Computation of blended hourly rate for persons who billed time during period, excluding paralegal or other paraprofessional time.

(4) Project Billing Format.

(i) To facilitate effective review of the application, all time and service entries should be arranged by project categories. The project categories set forth in Exhibit A should be used to the extent applicable. A separate project category should be used for administrative matters and, if payment is requested, for fee application preparation.

(ii) The United States Trustee has discretion to determine that the project billing format is not necessary in a particular case or in a particular class of cases. Applicants should be encouraged to consult with the United States Trustee if there is a question as to the need for project billing in any particular case.

(iii) Each project category should contain a narrative summary of the following information:

(A) a description of the project, its necessity and benefit to the estate, and the status of the project including all pending litigation for which compensation and reimbursement are requested;

(B) identification of each person providing services on the project; and

(C) a statement of the number of hours spent and the amount of compensation requested for each professional and paraprofessional on the project.

(iv) Time and service entries are to be reported in chronological order under the appropriate project category.

(v) Time entries should be kept contemporaneously with the services rendered in time periods of tenths of an hour. Services should be noted in detail and not combined or "lumped" together, with each service showing a separate time entry; however, tasks performed in a project which total a de minimis amount of time can be combined or lumped together if they do not exceed .5 hours on a daily aggregate. Time entries for telephone calls, letters, and other communications should give sufficient detail to identify the parties to and the nature of the communication. Time entries for court hearings and conferences should identify the subject of the hearing or conference. If more than one professional from the applicant firm attends a hearing or conference, the applicant should explain the need for multiple attendees.

(5) Reimbursement for Actual, Necessary Expenses. Any expense for which reimbursement is sought must be actual and necessary and supported by documentation as appropriate. Factors relevant to a determination that the expense is proper include the following:

(i) Whether the expense is reasonable and economical. For example, first class and other luxurious travel mode or accommodations will normally be objectionable.

(ii) Whether the requested expenses are customarily charged to non-bankruptcy clients of the applicant.

(iii) Whether applicant has provided a detailed itemization of all expenses including the date incurred, description of expense (e.g., type of travel, type of fare, rate, destination), method of computation, and, where relevant, name of the person incurring the expense and purpose of the expense. Itemized expenses should be identified by their nature (e.g., long distance telephone, copy costs, messengers, computer research, airline travel, etc.) and by the month incurred. Unusual items require more detailed explanations and should be allocated, where practicable, to specific projects.

(iv) Whether applicant has prorated expenses where appropriate between the estate and other cases (e.g., travel

expenses applicable to more than one case) and has adequately explained the basis for any such proration.

(v) Whether expenses incurred by the applicant to third parties are limited to the actual amounts billed to, or paid by, the applicant on behalf of the estate.

(vi) Whether applicant can demonstrate that the amount requested for expenses incurred in-house reflect the actual cost of such expenses to the applicant. The United States Trustee may establish an objection ceiling for any in-house expenses that are routinely incurred and for which the actual cost cannot easily be determined by most professionals (e.g., photocopies, facsimile charges, and mileage).

(vii) Whether the expenses appear to be in the nature nonreimbursable overhead. Overhead consists of all continuous administrative or general costs incident to the operation of the applicant's office and not particularly attributable to an individual client or case. Overhead includes, but is not limited to, word processing, proofreading, secretarial and other clerical services, rent, utilities, office equipment and furnishings, insurance, taxes, local telephones and monthly car phone charges, lighting, heating and cooling, and library and publication charges.

(viii) Whether applicant has adhered to allowable rates for expenses as fixed by local rule or order of the Court.