NOT FOR PUBLICATION

UNITED STATES BANKRUPTCY APPELLATE PANEL

OF THE NINTH CIRCUIT

In re:	BAP No. AZ-05-1272-MoSB
WHITE MOUNTAIN COMMUNITIES HOSPITAL, INC.,	Bk. No. 00-06189-PHX-RTB
Debtor.	
GOLDSTEIN, HORNER & HORNER; M. LYNN BILLINGS, DAVID L. WILLIAMS,	
Appellants,	**M E M O R A N D U M**[1]
v.	
WHITE MOUNTAIN COMMUNITIES HOSPITAL, INC.,	
Appellee.	

Argued and Submitted on January 20, 2006
at Phoenix, Arizona

Filed - March 21, 2006

Appeal from the United States Bankruptcy Court
for the District of Arizona

Hon. Redfield T. Baum, Sr., Chief Bankruptcy Judge, Presiding.

Before: MONTALI, SMITH and BRANDT, Bankruptcy Judges.

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[1]This disposition is not appropriate for publication and may not be cited except when relevant under the doctrines of law of the case, issue preclusion or claim preclusion. See 9th Cir. BAP Rule 8013-1.

A creditor and his counsel filed an application to recover attorneys' fees and costs as an administrative expense of the estate under 11 U.S.C. § 503(b)[2]; the creditor contended that he made a substantial contribution to the estate and that his counsel is therefore entitled to reasonable compensation. The bankruptcy court denied the creditor's request. We AFFIRM.

I.
FACTS

A. Overview

Appellant David L. Williams, M.D. ("Williams") is an unsecured creditor and former employee of appellee White Mountain Communities Hospital, Inc. ("Debtor"). During the course of the case, Williams and Debtor engaged in protracted litigation over the allowance of his claim. In addition and among other things, Williams opposed all plans of reorganization proposed by Debtor (the last of which was confirmed over Williams' objection), unsuccessfully sought the appointment of an examiner, and unsuccessfully objected to the nunc pro tunc employment of special counsel. H. Lee Horner, Jr. ("Horner") and Williams' wife, M. Lynn Billings ("Billings"), represented Williams throughout the case, incurring more than $85,000 in fees and $18,500 in costs.

After the bankruptcy court allowed Williams' unsecured claim in the amount of $40,080.00, Williams and his counsel (collectively, "Appellants") filed a bill of costs seeking reimbursement of $46,843.61 in fees and expenses. In their

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[2]Unless otherwise indicated, all chapter, section and rule references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1330 and the Federal Rules of Bankruptcy Procedure, Rules 1001-9036.

supplement to the bill of costs, Appellants contended that they were seeking only 30 percent of their fees and costs and would seek the remaining 70 percent in a separate section 503(b) motion for making a substantial contribution to the estate. The bankruptcy court entered an order allowing the costs in the amount of $3,558.11.

Appellants then filed an "Application by De Facto Creditors' Committee Counsel for Attorneys Fees and Costs for Having Made a Substantial Contribution to the Case." In this application, Appellants simply contended that seventy percent of the discovery undertaken and services provided prior to the hearing on the claims objection constituted work that contributed substantially to the estate.[3] Debtor opposed the application. On January 11, 2005, the bankruptcy court denied the application without prejudice, indicating that a generalized apportionment of seventy percent of the fees did not satisfy the requisites for demonstrating "substantial contribution," but allowing Williams and his counsel to file an amended application to specify those portion of fees and expenses actually attributable to actions resulting in substantial contribution to the estate.

Appellants then filed an "Amended Application by De Facto

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[3]Williams and his counsel said that they used the 70 percent figure because Debtor had contended that at least 70 percent of the fees and costs requested by Williams in his cost bill following the claims objection hearing related to confirmation issues and not objection issues. "[A]pplicants agree with debtor's counsel that to go back and apportion each and every deposition, court pleading, etc. would be unduly burdensome to all concerned, thus the 70% figure has been applied herein; 70% of the costs and fees incurred being operative to serve the issues of confirmation, asset concealment, improper transfer of assets, and commercial unreasonableness of prior plans."

Creditors' Committee Counsel for Attorneys Fees and Costs for Having Made a Substantial Contribution to the Case" (the "Application"). Debtor opposed the Application. The court held a hearing on the Application on May 23, 2005, noting that Appellants still had not apportioned the fees in any meaningful manner to show what tasks had resulted in substantial contribution. As an example, the court pointed out that Appellants were requesting fees and costs relating to depositions of witnesses identified as witnesses for the claims objection hearing but not for the confirmation hearing:

> . . . All of those witnesses were listed as witnesses in the claims litigation and either all, or almost all, of their testimony was used, at a minimum, by deposition designations.
>
> It's now asserted that a number of those witnesses all related only to confirmation issues and had nothing to do with the claims litigation. The record doesn't support that contention. The claims litigation contained an approximate 30-page pre-trial statement. And I believe every deponent was listed as a witness by Dr. Williams who carefully designated portions of that testimony by page and line in the pretrial statement and the supplement thereto. Conversely, none of those witnesses were listed in the confirmation pretrial statement as witnesses.
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> It's just inconceivable to the Court that the . . . allocations now made to support the claim for substantial contribution aren't born[e] out by the record in this case. It appears to the Court that these witnesses were primarily witnesses in the claims litigation case. And more importantly, were not witnesses in the confirmation case.
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> And so as I said at the outset, when I denied the application the first time, I did so in part because I didn't think there had been a sufficient allocation of the time and costs sought as between those matters clearly representing Dr. Williams and those matters that might fall under the category of substantial contribution. And I find myself with the same view today. As I noted in a simple sense, the numbers sought are essentially the same.

> And so in conclusion, I don't [think] the applicant has made a showing to meet the elements as a substantial contribution that would allow this Court to determine what attorneys' fees and what costs, if any, would qualify under this section an award to them of some amount reimbursing them for that.

Transcript of Hearing on May 23, 2005 (emphasis added).

The court entered its order denying the Application on June 3, 2005. Williams and his counsel filed a premature notice of appeal on June 1, 2005, but the appeal is timely pursuant to Rule 8002(a), since the bankruptcy court announced its decision at the hearing and in a minute entry dated May 23, 2005.

B. Case History Relevant to Applicant's Substantial Contribution Claim

Debtor, a nonprofit corporation, owns and operates a 23-bed acute care hospital and medical office facilities in Springerville, Arizona. In June 2000, Debtor filed a voluntary chapter 11 petition. At that time, Debtor was managed by David S. Wanger ("Wanger"). On August 7, 2002, Wanger was replaced by Ann-Coleman Hall ("Hall").

While Wanger was still the manager and chief executive officer ("CEO") of Debtor, Debtor filed a plan of reorganization that was essentially a liquidation plan under which unsecured creditors would receive nothing. On October 15, 2002, Williams filed an objection to the disclosure statement supporting this plan and a counter-motion to appoint an examiner. Other creditors objected to the plan and disclosure statement as well and Wanger filed his own motion to appoint a trustee before Williams filed his counter-motion for appointment of examiner.

Approximately one week after Williams filed his counter-motion requesting appointing an examiner, Debtor filed its own motion to employ an auditor of Debtor's financial affairs; Debtor noted in its response to Williams' counter-motion that it shared Williams' concerns about Wanger's prior management of the hospital and the auditor would reveal any inaccuracies and inconsistencies in accounting.

By the time of the hearing on all of the objections to the disclosure statement, Wanger's motion for appointment of trustee, and Williams' motion for appointment of examiner, Debtor realized that its financial situation was improving dramatically under new management (Hall) and thus the liquidation plan could be withdrawn. Thereafter, in March 2003, Debtor proposed its second amended plan of reorganization in which it projected that unsecured creditors would be paid in full.[4] In the amended disclosure statement supporting this plan, Debtor noted that it was the sole member of WMCH Development Corporation ("WMCH Development"), another not-for-profit corporation. WMCH Development owned an apartment complex consisting of thirty-two HUD housing units; while the apartment complex was not property of Debtor's estate, Debtor's equity interest in WMCH Development was.

On April 14, 2003, Williams objected to the amended disclosure statement and filed an amended request regarding the appointment of an examiner. In this request to appoint an examiner or trustee, Williams requested that a trustee liquidate

[4]Interestingly, all of the depositions for which Williams seeks reimbursement and fees occurred months after Debtor proposed a full-pay plan and before the hearing on the objection to Williams' claim.

Debtor's interest in WMCH Development. Debtor opposed Williams' motion to appoint a trustee or examiner. Debtor notes in its appellate brief at page 7 that the bankruptcy court denied the request to appoint the examiner; that order is not a part of the voluminous record in this appeal.

On July 3, 2003, Debtor filed a third amended plan ("the Plan"), as modified, which provided the same treatment (projected payment in full) as the second amended plan filed in March 2003. On July 17, 2003, the bankruptcy court approved the disclosure statement (the "Disclosure Statement") accompanying the Plan over the objections of Williams. The court did, however, allow Williams to attach a comment to the Disclosure Statement urging creditors to vote against the Plan.

On August 20, 2003, Debtor objected to Williams' unsecured claim in the amount of $160,161.00. On August 25, 2003, Williams filed an objection to confirmation of the Plan. On December 12, 2003, Williams filed an amended claim in the amount of $851,215; Debtor contended that the claim should be allowed only in the amount of $4,080.00.

Debtor and Williams engaged in substantial discovery regarding the allowance of Williams' claim. In a joint pretrial statement filed by the parties, Williams stated that he would elicit the testimony of 25 witnesses in the hearing on the allowance of his claim. On March 12, 2004, Williams filed an amendment to the pretrial statement indicating that he would rely on the deposition testimony of 15 of those witnesses in support of his claim.

After conducting a trial on the claims objection, the

bankruptcy court entered an order on May 18, 2004, allowing Williams an unsecured claim in the amount of $40,080.00. The record reflects no appeal of that order.

On April 9, 2004, Williams moved for relief from stay to allow for the appointment of a state court receiver to liquidate the apartments owned by WMCH Development. Debtor opposed this motion. The bankruptcy court conducted an expedited hearing on the motion for relief from stay and for appointment of state court receiver and denied both requests.

On April 22, 2004, Debtor issued a notice to creditors of the final hearing on confirmation of the Plan. Williams filed a supplemental objection to confirmation of the Plan. On May 3, 2004, Debtor filed a ballot report indicating that the four impaired classes of creditors (including unsecured creditors) overwhelmingly voted in favor of the Plan, despite Williams' statement in the Plan package soliciting rejection of the Plan by other creditors. Notwithstanding this support for the Plan by other creditors, Williams continued to press his objections to confirmation.

On May 17, 2004, the parties filed a joint pretrial statement regarding the confirmation trial. Williams did not identify or designate any of the witnesses or deposition testimony he used for the hearing on the objection to his claim. On May 24, 2004, the court conducted a confirmation trial and Williams did not call any of the witnesses that he identified in his pre-trial list for the claims objection hearing.

On May 24, 2004, the bankruptcy court entered a minute entry/order specifically overruling the objections of Williams to

the Plan. The court expressly addressed Williams' contention that Debtor's equity interest in WMCH Development (which owned the apartments) should be sold to satisfy creditors. The court held that under the law governing non-profit corporations, any sale of the apartments or WMCH Development could not be used to pay creditors of Debtor. Rather, such proceeds would have to be re-invested for "community benefit purposes." On June 9, 2004, the court entered an order confirming the Plan over the objections of Williams.

Prior to the confirmation hearing, Debtor's counsel discovered that the law firm of McDermott and Trayner had received postpetition payments from Debtor for postpetition services without obtaining court approval of employment or court approval of the fees. Debtor made a demand on McDermott and Trayner for return of these funds. The McDermott firm then filed an application to be employed as special counsel nunc pro tunc. Both Debtor and Williams opposed this motion, noting (among other things) that McDermott had to waive its prepetition claim in the amount of $38,381.05. After Debtor and McDermott reached a compromise whereby McDermott agreed to withdraw/waive its prepetition claim, agreed to waive the unpaid amount of its postpetition claim ($1,553.53), and agreed to refund the estate $7,500 from the $28,632.50 it received from Debtor postpetition, Debtor withdrew its objection to McDermott's nunc pro tunc employment application. Williams, however, did not withdraw his objection. The court eventually overruled Williams' objection, approved the compromise, approved McDermott's nunc pro tunc employment, and approved McDermott's fees in the amount of

$21,132.50, which McDermott had already received.

In their arguments that they made substantial contributions to the estate, Appellants contend that their efforts resulted in a better plan for unsecured creditors,[5] that they uncovered potential assets (the apartment complex owned by WMCH Development), and that they achieved the withdrawal of McDermott's

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[5]In particular, Appellants contend that they solicited testimony at the confirmation hearing that Debtor did not intend to sell the hospital. See Appellants' Opening Brief at page 9. This benefit is illusory. First, sale of the hospital in and of itself is not detrimental to creditors if the sale generates sufficient income to satisfy plan obligations. Second, Appellants did not obtain a modification of the Plan whereby Debtor promised that no such sale would occur. Therefore, any sale would presumably not breach the Plan. While Debtor's representative may have testified that Debtor has no intent to sell the hospital, Williams would have to prove that Debtor did intend to sell the hospital when the statement was made in order for it to be actionable.

In any event, even if Debtor had modified the Plan to promise that no sale would occur, such a modification would not necessarily benefit creditors. As noted by the Granite Partners court:

> Here, the applicants' objections to the disclosure statement did not alter the character of the document, and did not, therefore, rise to the level of a substantial contribution. [Citation omitted]. Additional language incorporated to quell an objector's concerns does not necessarily signify the merit or importance of the objection; it often means the opposite. Rather than argue over insubstantial and relatively unimportant disputes, the proponent simply makes the change, or the court directs it to be made, to move the process along. Further, it is not enough that the objecting party achieve some greater clarity in the document. He must demonstrate an actual or concrete benefit, such as the facilitation of the successful reorganization or added value."

Granite Partners, 213 B.R. at 449.

claim.[6] For the reasons discussed below, however, Appellants have not demonstrated how their services and actions resulted in a direct, substantial contribution to the estate.

II.
ISSUE

Did the bankruptcy court err in denying the request of Williams and his counsel for reimbursement of fees and legal expenses under section 503(b) for making a substantial contribution to the estate?

III.
STANDARD OF REVIEW

A bankruptcy court's findings of fact are reviewed for clear error, and conclusions of law are subject to de novo review. Devers v. Bank of Sheridan, Montana (In re Devers), 759 F.2d 751, 753 (9th Cir. 1985). Review under the clearly erroneous standard is "significantly deferential, requiring a 'definite and firm conviction that a mistake has been committed.'" Granite State Ins. Co. v. Smart Modular Technologies, Inc., 76 F.3d 1023, 1028 (9th Cir. 1996) (quoting Concrete Pipe & Products of Cal., Inc. v. Construction Laborers Pension Trust for Southern Cal., 508 U.S. 602, 623 (1993)).

The bankruptcy court "has wide discretion to determine the appropriate amount of expenses to be awarded" under section 503(b)

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[6]On pages 10 and 11 of their Opening Brief, Appellants discuss payments to Charles Craven, which they contend are improper. We do not see the relevancy of this issue to this appeal. Even if it were relevant, the issue was not raised before the trial court. We will not consider issues raised for the first time on appeal. Smith v. Marsh, 194 F.3d 1045, 1052 (9th Cir. 1999) ("[A]n appellate court will not consider issues not properly raised before the [trial] court.").

and the "allowance of administrative expenses should also be left to the trial court's discretion." Haskins v. U.S. (In re Lister), 846 F.2d 55, 56-57 (10th Cir. 1988) (emphasis in original). We therefore review the bankruptcy court's denial of Williams' application for administrative expenses under an abuse of discretion standard. Id. Reversal under the abuse of discretion standard is possible only "when the appellate court is convinced firmly that the reviewed decision lies beyond the pale of reasonable justification under the circumstances." Harman v. Apfel, 211 F.3d 1172, 1174 (9th Cir. 2000). The appellate court cannot simply substitute its judgment for that of the lower court. United States v. Henderson, 241 F.3d 638, 646 (9th Cir. 2000).

IV.
DISCUSSION

Section 503(b) lists several fees and expenses which are entitled to administrative expense priority, including the "actual, necessary expenses" of creditors "making a substantial contribution" in a chapter 11 case and "reasonable compensation" of an attorney of a creditor providing such substantial contribution:

> (b) After notice and a hearing, there shall be allowed administrative expenses, other than claims allowed under section 502(f) of this title, including--
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> . . .
>
> (3) the actual, necessary expenses, other than compensation and reimbursement specified in paragraph (4) of this subsection, incurred by --
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> . . .
>
> (D) a creditor . . . in making a substantial contribution in a case under chapter 9 or 11 of this title;

> (4) reasonable compensation for professional services rendered by an attorney or an accountant of an entity whose expense is allowable under subparagraph (A), (B), (C), (D), or (E) of paragraph (3) of this subsection, based on the time, the nature, the extent, and the value of such services, and the cost of comparable services other than in a case under this title, and reimbursement for actual, necessary expenses incurred by such attorney or accountant[.]

See 11 U.S.C. §§ 503(b)(3)(D) and (b)(4).

A. Appellants Have Not Demonstrated That They Provided a "Substantial Contribution" to the Estate

A creditor seeking administrative priority for his legal fees and costs bears the burden of proof to demonstrate that he has made a substantial contribution to the estate. See Andrew v. Coopersmith (In re Downtown Investment Club III), 89 B.R. 59, 64 (9th Cir. BAP 1988) ("The burden of proof under Bankruptcy Code § 503(b)(4) to show that a substantial contribution was made is on the party seeking compensation[.]"); see also In re Catalina Spa & R.V. Resort, Ltd., 97 B.R. 13, 17 (Bankr. C.D. Cal. 1989) (same); In re Granite Partners, L.P., 213 B.R. 440, 447 (Bankr. S.D.N.Y. 1997) ("applicant bears the burden of proving, by a preponderance of the evidence, that he has rendered a substantial contribution").

The measure of any "substantial contribution" is the extent of the benefit to the estate. Cellular 101, Inc. v. Channel Communications, Inc. (In re Cellular 101, Inc.), 377 F.3d 1092, 1096 (9th Cir. 2004), citing Christian Life Center Litigation Defense Comm. v. Silva (In re Christian Life Center), 821 F.2d 1370, 1373 (9th Cir. 1987). The benefits conferred must be direct and not "incidental" or "minimal." Cellular 101, 377 F.3d at

1098. They must foster, and not retard, progress of the reorganization. Id. at 1096. Substantial contribution "requires contribution which provides tangible benefits to the bankruptcy estate and the other unsecured creditors." In re D.W.G.K. Restaurants, Inc., 84 B.R. 684, 689 (Bankr. S.D. Cal. 1988). "Services provided solely for the creditor, such as prosecuting a creditor's claim, are not compensable." In re Woodhall, 141 B.R. 700, 701 (Bankr. D. Ariz. 1992). "Extensive participation alone does not warrant an award of fees as an administrative claim." Id. at 701-02; see also D.W.G.K., 84 B.R. at 689.

In denying a request for reimbursement of fees and expenses by creditors, the D.W.G.K. court observed certain tenets every court deciding a section 503(b)(3) and (b)(4) should heed:

> Compensation cannot be freely given to all creditors who take an active role in bankruptcy proceedings. Compensation must be preserved for those rare occasions when the creditor's involvement truly fosters and enhances the administration of the estate. See, In re Richton International Corp., 15 B.R. at 854. Such an involvement takes the form of constructive contributions in key reorganizational aspects, when but for the role of the creditor, the movement towards final reorganization would have been substantially diminished. The integrity of § 503(b) can only be maintained by strictly limiting compensation to extraordinary creditor actions which lead directly to significant and tangible benefits to the creditors, debtor, or the estate. While § 503 was enacted to encourage meaningful creditor participation, it should not become a vehicle for reimbursing every creditor who elects to hire an attorney.

D.W.G.K., 84 B.R. at 90. Simply put, in order for a creditor or its counsel to recover compensation for its services under section 503(b), it must show that the services (1) benefitted the estate and unsecured creditors; (2) had a "direct, significant, and demonstrable effect on the estate;" and (3) were not duplicative

of services performed by others. In re Lloyd Securities, Inc., 183 B.R. 386, 394 (Bankr. E.D. Penn. 1995), aff'd, 75 F.3d 853 (3d Cir. 1996).

An examination of the record demonstrates that Williams did not provide any services to the estate that had a "direct, significant, and demonstrable effect on the estate." Id. Examination of the various "contributions" for which Williams and his counsel seek compensation provided, at best, incidental benefits and were duplicative of those provided by the debtor. Williams and his counsel contend that their single-minded campaign against Debtor and any reorganization plan it promoted, including the ones which proposed to pay unsecured creditors in full and the one which was approved by creditors and confirmed by the court over Williams' vigorous objections, benefitted the estate. It did not; to the contrary, this campaign caused the estate to incur further fees to fight objections which were ultimately overruled.

While Debtor did initially file a liquidation plan, it amended the plan to provide full payment to creditors after it obtained new management and its financial condition improved dramatically. After Debtor amended its plan to provide full payment to creditors, Williams and his counsel incurred most of the fees for which they seek recovery; these fees were incurred while Debtor's objection to Williams' claim was pending. There is no causal connection between these fees and Debtor's decision to provide full payment to unsecured creditors through a plan; that decision was made before the fees were incurred.

Williams also contends that he and his counsel provided a substantial benefit to the estate by moving the court to appoint

an examiner, trustee or receiver. The court refused this request; no benefit was provided. Appellants argue, however, that this unsuccessful effort led the Debtor to modify the Plan to provide full payment and to seek its own audit of Debtor's books. The record does not support this argument. Debtor requested an auditor at approximately the same time Williams filed his first counter-motion for examiner. Even after the auditor was appointed and after Debtor modified its plan to provide full payment to unsecured creditors, Williams continued his unsuccessful efforts to have a trustee, receiver or examiner appointed, filing repeated motions that were denied. Thus, Appellants cannot establish a direct causal link or "credible connection" between their litigation tactics and any benefits accruing to the estate and the unsecured creditors. Granite Partners, 213 B.R. at 447.

Moreover, the successes claimed were achieved in large part by the efforts of Debtor and its counsel. Debtor sought an independent auditor, Debtor modified the Plan once new management enabled it to achieve greater financial stability, Debtor objected to McDermott's nunc pro tunc employment application and negotiated a compromise whereby McDermott waived its prepetition claim and refunded a portion of its postpetition payments. Appellants' efforts were largely duplicative of efforts of others and thus do not constitute "substantial contributions." Lloyd Securities, Inc., 183 B.R. at 394.

We therefore agree with the bankruptcy court that Appellants did not carry their burden to demonstrate that their work has substantially contributed to the estate. They did not facilitate the progress of the case; in fact, their efforts arguably impaired

progress, causing Debtor to incur further administrative fees to fight for confirmation of a plan overwhelmingly approved by creditors. The record reflects no "extraordinary creditor actions which [led] directly to significant and tangible benefits to the creditors, debtor or the estate." D.W.G.K., 84 B.R. at 90.

B. Appellants Have Not Demonstrated that Their Costs Were "Actual and Necessary" and that Their Fees Were Reasonable

In addition to proving that it made a "substantial contribution" to the estate, a creditor seeking to recover compensation as an administrative expense under section 503(b) must also demonstrate that its request represents "actual, necessary expenses" and "reasonable compensation" for professional services. Catalina Spa, 97 B.R. at 17 ("In addition to the requirement that the creditor show that the services rendered a significant and demonstrable benefit, an administrative expense may not be allowed absent a finding that the expense is necessary for preserving the estate."); D.W.G.K., 84 B.R. at 689 (same).

Section 503(b)(3)(D) "requires the bankruptcy judge to scrutinize claimed expenses for waste and duplication to ensure that expenses were indeed actual and necessary. It further requires the judge to distinguish between expenses incurred in making a substantial contribution to the case and expenses lacking that causal connection, the latter being noncompensable." Hall Fin'l Group, Inc. v. DP Partners Ltd. P'ship (In re DP Partners Ltd. P'ship), 106 F.3d 667, 673 (5th Cir. 1997). In order to keep administrative costs to the estate at a minimum, "actual and necessary" are construed narrowly. Microsoft Corp. v. DAK Indus., Inc. (In re DAK Indus., Inc.), 66 F.3d 1091, 1094 (9th Cir. 1995).

Even after the bankruptcy court provided Appellants with an opportunity to supplement their request by specifying those portion of fees and expenses actually attributable to actions resulting in substantial contribution to the estate, Appellants did not do so. Rather, Appellants simply provided some narrative about the purported benefits it provided without linking fees or categories of work to those benefits. In other words, Appellants did not show a causal connection between the fees incurred and the purported benefits it provided to the estate. The record shows no linkage between the fees incurred and purported benefits conferred by Appellants.

As pointed out by the bankruptcy court, Appellants did not carry their burden to show how their services resulted in tangible benefits to the estate. Rather, many of the expenses and most of the fees related to the claims objections process, notwithstanding Appellants' cavalier contentions that depositions of witnesses designated for the claims objection hearing only (and not the confirmation or other hearing) related to the confirmation hearing. Even if Williams' objection to confirmation had somehow led to a substantial, tangible benefit to the estate, Appellants have not shown that the expenses incurred were "actual and necessary" to prosecute the objection or that the fees were reasonable and related to the confirmation objection. Without demonstrating a causal connection between the services provided [i.e., the depositions of the witnesses] and the purported contribution [i.e., the objection to confirmation], Appellants cannot demonstrate that the fees and expenses were reasonable, actual and necessary to achieve the desired result. Granite

Partners, 213 B.R. at 447.

V.
CONCLUSION

Appellants did not carry their burden to demonstrate that their services provided a substantial contribution to the estate. In addition, they did not show that their fees and expenses were reasonable, actual and necessary. For either one of these reasons, we find no error by the bankruptcy court. Therefore, we AFFIRM.