

**UNITED STATES BANKRUPTCY COURT SOUTHERN
DISTRICT OF NEW YORK**

In Re: **Chapter 11**
Adelphia Communications Corp. , et al., **Case No. 02-41729 (REG)**
Jointly Administered

**FINAL APPLICATION OF BDO SEIDMAN, LLP FOR COMPENSATION FOR
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES AS
SPECIAL FORENSIC ACCOUNTANTS TO DEBTOR
FOR THE PERIOD JULY 14, 2003 THROUGH FEBRUARY 13, 2007**

Name of Applicant: BDO Seidman, LLP

Authorized To Provide Professional Services to: The Debtor

Date of Retention: Order Entered August 20, 2003
Effective July 14, 2003

Period for which Compensation and Reimbursement is Sought: July 14, 2003 – February 13, 2007

Amount of Compensation Sought as actual, reasonable and necessary: \$1,835,427.03^a

Amount of Expense Reimbursement sought as actual, reasonable and necessary: \$28,724.57

This is an: interim final application

If this is not the first application filed, disclose the following for each prior application:

File Date	Dkt. No.	Period	REQUESTED		APPROVED	
			Fees	Expenses	Fees	Expenses
02/16/04	3736	07/14/03 - 10/31/03	\$404,520.68 ^b	\$12,376.94	\$374,520.68 ^c	\$12,376.94

^a This amount is net of voluntarily reductions of (a) \$76,626.66 for a 5% reduction in non-partner charges; (b) \$47,470.50 for limiting professional rates to a maximum of \$475 per hour through June 2005 pursuant to BDO's retention agreement; and (c) \$41,611.81 recommended reductions of the Fee Committee (of which \$8,581.81 for the period November 1, 2003 through June 30, 2004 were agreed upon with Legal Cost Control, but due to an apparent oversight, this agreement was not reflected in an order prepared by the Fee Committee). The total amount incurred at BDO's standard rates for this application period is \$2,001,136.00.

^b This amount is net of voluntary reductions of \$34,309.82.

^c This amount includes a Fee Committee recommended reduction of \$30,000.00.

File Date	Dkt. No.	Period	REQUESTED		APPROVED	
			Fees	Expenses	Fees	Expenses
12/07/04	6560	11/01/03 - 06/30/04	124,389.91 ^d	2,353.08	N/A ^e	N/A
05/03/05	7389	07/01/04 - 10/31/04	48,944.95 ^f	97.25	46,544.95 ^g	97.25
09/21/05	8534	11/01/04 - 02/28/05	55,660.50 ^h	0.00	55,030.50 ⁱ	0.00
02/23/06	9839	03/01/05 - 08/31/05	678,863.55 ^j	11,259.39	N/A	N/A
06/16/06	11277	09/01/05 - 02/28/06	404,282.08 ^k	683.96	N/A	N/A
10/16/06	12193	03/01/06 - 08/31/06	160,377.17 ^l	1,953.95	N/A	N/A
		TOTAL	\$1,877,038.84	\$28,724.57	\$476,096.13	\$12,474.19

**ATTACHMENT B
TO FEE APPLICATION**

Name of Professional Person	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License To Practice, Area of Expertise	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
Grand Total:	See Exhibit A			
Blended Rate:	\$270.93			

^d This amount is net of voluntary reductions of \$17,466.84.

^e BDO reached an agreement to reduce fees in the amount of \$8,581.81 with Legal Cost Control for this interim application period, however, due to an apparent oversight; this agreement was not reflected in an order prepared by the Fee Committee.

^f This amount is net of voluntary reductions of \$6,811.50. It also includes adjustments to the prior monthly statements in the amount of -\$2,920.00 as noted in Exhibit "C."

^g This amount includes a Fee Committee recommended reduction of \$2,400.00.

^h This amount is net of voluntary reductions of \$3,384.50. It also includes adjustments to the prior monthly statements and interim application filed in the amount of +\$202.50 as noted in Exhibit "C."

ⁱ This amount includes a Fee Committee recommended reduction of \$630.00.

^j This amount is net of voluntary reductions of \$40,105.95. It also includes adjustments to the prior monthly statements and interim application filed in the amount of -\$115.00 as noted in Exhibit "C."

^k This amount is net of voluntary reductions of \$16,676.67.

^l This amount is net of voluntary reductions of \$5,342.33.

COMPENSATION BY PROJECT CATEGORY

Sub-Service Category	Total Hours	Total Fees
A. SUBSTANTIVE CONSOLIDATION, FRAUDULENT CONVEYANCE AND PREFERENCE ISSUES	877.6	\$330,380.00
B. MEETINGS - DEBTOR	165.3	66,903.50
C. COUNSEL DISCUSSIONS & COURT HEARINGS	17.8	5,595.00
D. FEE APPLICATIONS / MONTHLY STATEMENTS	172.4	45,366.00
E. DEVON MOBILE TRANSACTION ANALYSIS	5,373.50	1,451,959.00
F. TRAVEL TIME (billed at ½ rate)	321.6	53,462.00
TOTAL:	6,928.20	1,953,665.50^m
Less: 5% of Non-Partner Time Pursuant to Retention Agreement		<76,626.66>
Less: Fee Committee Reductions		<41,611.81 ⁿ >
GRAND TOTAL		\$1,835,427.03

^m This amount is net of voluntary reductions in the amount of \$47,470.50 for limiting professional rates to a maximum of \$475 per hour through June 2005 pursuant to BDO's retention agreement. The total amount incurred at BDO's standard rates for this period is \$2,001,136.00.

ⁿ \$8,581.81 of this amount represents an agreed upon reduction with Legal Cost Control for the period November 1, 2003 through June 30, 2004, but due to an apparent oversight, this agreement was not reflected in an order prepared by the Fee Committee.

BDO SEIDMAN, LLP
JEFFREY M. KATZ
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New York, N.Y. 10017
Telephone Number: (212) 885-8000
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Special Forensic Accountants for the Debtor

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re)	Case No.	02-41729 (REG)
)		
Adelphia Communications Corp., et al.,)		
)	Chapter 11	
Debtor.)		
)	Date:	
)	Time:	
)	Place:	
)		

**FINAL APPLICATION OF BDO SEIDMAN, LLP FOR COMPENSATION FOR
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES AS
SPECIAL FORENSIC ACCOUNTANTS TO DEBTOR
FOR THE PERIOD JULY 14, 2003 THROUGH FEBRUARY 13, 2007**

TO THE HONORABLE ROBERT E. GERBER,

UNITED STATES BANKRUPTCY JUDGE:

The independent public accounting firm of BDO Seidman, LLP ("BDO") hereby submits its Final Application for Approval of Compensation and Reimbursement of Expenses as Special Forensic Accountants for the Debtor for the period July 14, 2003 through February 13, 2007 (the "Final Application"). BDO respectfully represents:

I.

INTRODUCTORY STATEMENT

1. BDO's Business Restructuring Services Practice ("BRS") (f/k/a Financial Recovery Services practice) and Litigation and Fraud Investigation Practice ("LP") are a national team of responsive professionals, experienced in all aspects of loan workouts, restructuring and bankruptcy. BRS has extensive experience representing trustees, debtors and virtually all classes of creditors and equity holders in both out-of-court and in-court workouts and restructuring. BRS has developed the methodologies, resources and expertise required for operational and financial restructuring, due diligence and financial analysis, pre and post-bankruptcy planning and case administration, settlement and portfolio valuations, and investigative accounting. LP has extensive experience consulting with counsel on financial and forensic accounting issues.

2. Adelpia Communications Corp., et al. (the "Debtor") filed their Voluntary Chapter 11 under Title 11 of the United States Code and an order for relief under Chapter 11 was entered.

3. By application, the Debtor sought the authority to retain BDO as their special forensic accountants to render services specified in the Application For Order Approving Employment of Accountants (the "Employment Application"). On August 20, 2003, an order, effective as of July 14, 2003 was duly signed and entered by this Court authorizing the retention of BDO.

4. This is BDO's Final Application for Compensation for professional services rendered and for reimbursement of actual and necessary costs and expenses incurred on behalf of the Debtor. BDO makes this Application pursuant to the provisions of 11 U.S.C. sections 327 through 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure, and this Court's Guidelines Pertaining To Requests For Compensation and Expense By Professionals.

5. Detailed schedules summarizing services rendered by professional and expenses incurred by BDO are annexed hereto as Exhibits "A" and "B".

II

SUMMARY OF SERVICES RENDERED

6. By this Final Application for Compensation, BDO seeks final approval and payment for (a) compensation for services rendered from July 14, 2003 through February 13, 2007 and (b) reimbursement for certain expenses incurred during the same period.

7. In rendering the services for which compensation is sought, partners, directors, senior managers, managers, seniors and associates of BDO spent 6,928.2 hours from July 14, 2003 through February 13, 2007 (the "Application Period"). The time charges for such services, computed at BDO's standard hourly rates is \$2,001,136.00, however, BDO has agreed to voluntarily reductions of (a) \$76,626.66 for a 5% reduction in non-partner charges; (b) \$47,470.50 for limiting professional rates to a maximum of \$475 per hour through June 2005 pursuant to BDO's retention agreement; and (c) \$41,611.81 recommended^o reductions of the Fee Committee (, therefore the net requested professional fees for these services are \$1,835,427.03. In addition, BDO incurred expenses in connection with the case of \$28,724.57. These fees and expenses represent total costs incurred during this period of \$1,864,151.60. Exhibit "A" annexed hereto contains a summary of the hours rendered by each partner, director, senior manager, manager, senior and associate. A summary of expenses is annexed as Exhibit "B".

^o \$8,581.81 of this amount represents an agreed upon reduction with Legal Cost Control for the period November 1, 2003 through June 30, 2004, but due to an apparent oversight, this agreement was not reflected in an order prepared by the Fee Committee.

8. BDO customarily bills their professionals at rates commensurate with the experience of the person performing such services. The standard billing rates are the same for bankruptcy engagements as well as all other accounting and advisory work performed by BDO. A list of the hourly rates^p is as follows:

Partners	\$475 - 695
Senior Managers/Directors	\$230 - 575
Managers	\$210 - 345
Seniors	\$150 - 255
Staff	\$ 95 – 195

9. The compensation BDO seeks is reasonable and is for actual and necessary services rendered by BDO. All of the services performed by BDO have been beneficial to the parties to these proceedings and have enabled the case to proceed.

10. The size and complexity of the Debtor's case as well as the numerous and complex issues of accounting required substantial broad-based accounting and financial advisory expertise to resolve the issues. As a consequence, the demands of this case have been such that BDO's highly skilled insolvency professionals and forensic accounting professionals have devoted substantial time and effort to perform properly and expeditiously the required accounting and advisory work.

11. During the period from July 14, 2003 through February 13, 2007, BDO provided services of a general nature to the Debtors, as set forth below:

^p Pursuant to BDO's engagement letter, Partner rates were billed at a maximum of \$475 per hour through June 30, 2005. Effective July 1, 2005 partner rates were adjusted to standard hourly rates.

	<u>HOURS</u>	<u>AMOUNT</u>
A. SUBSTANTIVE CONSOLIDATION, FRAUDULENT CONVEYANCE AND PREFERENCE ISSUES Review and analysis of accounting records, debtor documents and publicly available information for the purposes of analyzing Adelphia Business Solutions, Inc. substantive consolidation, fraudulent conveyance and preference allegations.	877.6	\$330,380.00
B. MEETINGS – DEBTOR Meetings, discussions and correspondence with Debtor management, key personnel and professionals related to ongoing requests for financial information, history of the business and its current operations.	165.3	66,903.50
C. COUNSEL DISCUSSIONS & COURT HEARINGS Throughout the engagement we consulted with Counsel and Committee members regarding all pertinent matters, including preliminary findings. In addition, we attended depositions conducted by Counsel and attended court hearings inclusive of testifying, where required.	17.8	5,595.00
D. FEE APPLICATIONS / MONTHLY STATEMENTS Preparation and review of monthly data for submission to interested parties. Preparation of multiple monthly statements from July 2003 through May 2006 ^q . Preparation of 7 interim applications.	172.4	45,366.00

^q BDO had no time billed to the Debtor after May 2006.

	<u>HOURS</u>	<u>AMOUNT</u>
E. DEVON MOBILE TRANSACTION ANALYSIS	5,373.5	1,451,959.00
Review and analysis of allegations asserted by Devon Mobile, analysis of financial records, including net payables/receivables between Debtor and Devon Mobile, intercompany accounting. Analysis of new value and other payments assumed by Debtor. Telephone conferences and meetings with Devon Mobile counsel and Debtor's counsel.		
Search for and analysis of supporting documentation, preparation of expert report, assist counsel with deposition preparation, review and analysis of opposing expert report, prepare for trial, prepare for trial testimony, assist counsel at trial.		
SUBTOTAL:	<u>6,606.6</u>	<u>1,900,203.50</u>
F. TRAVEL TIME	321.6	53,462.00
Professional time expended on travel, billed at one half the hourly rate of each professional.		
SUBTOTAL:	<u>321.6</u>	<u>53,462.00</u>
TOTAL:	<u>6,928.2</u>	<u>\$1,953,665.50^r</u>
Less: 5% Non-Partner Time Pursuant to Retention Agreement		<76,626.66>
SUBTOTAL:		<u>1,877,038.84</u>
Less: Fee Committee Reductions^s		<41,611.81>
GRAND TOTAL		<u><u>\$1,835,427.03</u></u>

^r This amount is net of voluntary reductions in the amount of \$47,470.50 for limiting professional rates to a maximum of \$475 per hour through June 2005 pursuant to BDO's retention agreement. The total amount incurred at BDO's standard rates for this period is \$2,001,136.00.

^s \$8,581.81 of this amount represents an agreed upon reduction with Legal Cost Control for the period November 1, 2003 through June 30, 2004, but due to an apparent oversight, this agreement was not reflected in an order prepared by the Fee Committee.

12. The time spent by partners and staff of BDO Seidman, LLP, from July 14, 2003 through February 13, 2007, in performing the procedures described in paragraph 11, along with their hourly rates, is presented below:

Title	Hours	Avg. Rate	Amount
PARTNER	831.9	\$506.32	\$421,209.00
DIRECTOR	613.4	437.77	268,526.00
SENIOR MANAGER	1,500.9	360.18	540,588.00
MANAGER	1,455.9	266.33	387,753.75
SENIOR	886.5	180.62	160,116.25
STAFF	37.0	125.00	4,625.00
ASSOCIATE	1,492.4	105.79	157,881.50
PARA-PROF.	110.2	117.66	12,966.00
TOTAL:	6,928.2	281.99	1,953,665.50^t
Less: 5% Non-Partner Time			<76,626.66>
GRAND TOTAL	6,928.2	\$270.93	\$1,877,038.84

13. BDO's time records are recorded contemporaneously with the rendition of professional services. Exhibit "A" hereto contains a summary by professional of the hours incurred by each partner, director, senior manager, manager, senior and associate for the Application Period. BDO's time records are maintained in one-tenth of an hour (0.10) increments.

14. Each duty and task performed by BDO has been performed by the professional most qualified to render such services at his or her ordinary hourly charges.

^t This amount is net of voluntary reductions in the amount of \$47,470.50 for limiting professional rates to a maximum of \$475 per hour through June 2005 pursuant to BDO's retention agreement. The total amount incurred at BDO's standard rates for this period is \$2,001,136.00.

15. There is no agreement or understanding between BDO and any other person, other than the members, associates and employees of BDO, for the sharing of compensation received for services rendered in connection with this case.

16. BDO's professionals have delegated authority where appropriate to prevent duplication of effort, to ensure that associates were used whenever possible and to utilize the services of professionals who bill at lower hourly rates as much as possible.

17. Where more than one person attended a meeting, such attendance was not a duplication of effort, but was necessary to adequately represent the interests of the Debtor, and to have the appropriate expertise available.

NARRATIVE DISCUSSION OF FEE COMMITTEE FACTORS

18. On or about February 20, 2007, a memorandum from the Fee Committee regarding final compensation procedures was distributed by Debtor's counsel to certain professionals retained in this case. Pursuant to the memorandum, the Fee Committee identified 13 factors, among others, pursuant to Section 330 of the Bankruptcy Code for determining whether fees and reimbursement of expenses sought in final applications are reasonable. The following represents a narrative discussion of the aforementioned factors specifically identified below:

1) The Final Applicant's role, objectives, and accomplishments in the Adelphia Case.

BDO Seidman, LLP was retained as the Special Forensic Accountants to Adelphia Communications Corporation ("ACC") for the purpose of assisting counsel to ACC in addressing certain potential causes of actions raised by the Official Committee of Unsecured Creditors in the bankruptcy cases of Adelphia Business Solutions, Inc. and its debtor subsidiaries (collectively, "ABIZ entities") and an informal committee (the "Secured Noteholder Committee"), along with the Creditors' Committee of the ABIZ entities.

After substantially completing its work related to the allegations raised by the ABIZ Committees, BDO Seidman, LLP was asked to assist in addressing claims

raised by the Official Committee of Unsecured Creditors of Devon Mobile Communications, LP and the Devon Mobile Communications Liquidating Trust against Adelphia Communications Corporation. Devon Mobile Communications, LP ("Devon Mobile") was a limited partnership in which Adelphia Communications Corporation was the limited partner.

The objectives of BDO Seidman, LLP were to gather information related to the potential causes of action raised by the ABIZ Committees and the claims raised in the Devon Mobile litigation so that the respective counsel for ACC in each matter could assess the claims and determine a proper course of action.

BDO Seidman, LLP specifically addressed the following potential causes of actions, among other things, in the ABIZ matter:

i. Relief for ABIZ Creditors Under Section 105 of the Bankruptcy Code:

1. The ABIZ committees alleged that the assets, liabilities and business operations of the ACC and ABIZ entities were extensively commingled. Among other things the ABIZ committees alleged (1) the ACC and ABIZ entities shared a common cash management system in which funds of the various entities were commingled; (2) numerous contracts were shared among various ABIZ and ACC entities without clear delineation of rights and obligations; (3) many assets used in the business of ACC entities were owned by ABIZ entities and vice versa; (4) ACC personnel fraudulently shifted debts from ACC's to ABIZ's books; and (5) ACC misappropriated substantial sums from joint ventures or other operations in which ABIZ had an interest (e.g., PECO Hyperion Telecommunications).

ii. Other Causes of Action:

1. Bank of America Loan – The ABIZ Committees understood that the \$500 million loan made by Bank of America to the ABIZ Entities under the Century Credit Facility was made at a time when ABIZ's financial condition was such that no bank would have made this loan without a guaranty by ACC.
2. December 2000 and October 2001 Asset Sales – In December 2000 and October 2001, certain ABIZ entities sold telecommunications-related assets to certain of the ACC entities for amounts totaling approximately \$220 million. The ABIZ Committees alleged that even if the purchase prices nominally paid for these assets were ultimately determined to be fair (which they understood to be far from clear), the ACC entities would still be liable to ABIZ entities for the full value of the transferred assets because (i) the purchase price was never actually paid, but was applied to reduce amounts

owed by ABIZ to ACC on an intercompany basis; (ii) the intercompany balances were not loans, but equity contributions; and (iii) as a result, ABIZ received no consideration from ACC for the asset transfers.

3. PECO Partnership Misappropriation of Proceeds – ABIZ of Pennsylvania, Inc., a non-debtor subsidiary of ABIZ, was a partner in PECO Hyperion Telecommunications and the ABIZ Committees alleged that ABIZ of Pennsylvania, Inc. received a disproportionate amount of distributions that were allegedly misappropriated through the ACC centralized cash management systems and were then utilized by ACC entities.
4. ACC DIP Facility Claims – The ABIZ Committees alleged that as a result of the ACC entities defaulting on their obligations under the interim debtor in possession credit facility entered into with the ABIZ entities prior to the commencement of the ACC entities' chapter 11 cases, all amounts advanced were subject to subordination in the ABIZ entities' chapter 11 cases, as well as set off against ABIZ's various claims against ACC.
5. Cash Management System – The ABIZ Committees alleged that prior to the commencement of the ABIZ entities' chapter 11 cases, the ABIZ entities and the ACC entities utilized a centralized cash management system, which was maintained by ACC and that certain ABIZ entities may have been net lenders to ACC to which the ABIZ entities were entitled to reimbursement by ACC.
6. ACC Management Services Agreement – the ABIZ Committees alleged that prior to the commencement of the ABIZ entities' chapter 11 cases, the ABIZ entities and the ACC entities were parties to a management services agreement in which the ACC entities provided certain managerial and related services on behalf of the ABIZ entities in exchange for a monthly payment of \$2.7 million, which the ABIZ Committees alleged were above market rates.

In addressing the above potential causes of action the role, objectives and accomplishments of BDO Seidman, LLP included gathering information and data that addressed each of the potential causes of action. This included initial meetings with counsel to the ACC entities to understand the issues, including substantive consolidation, preference and fraudulent conveyance issues. In gathering information and data, BDO held interviews and discussions with ACC personnel, reviewed and analyzed books and records at ACC's location in Coudersport, Pennsylvania and at our offices in New York City, and performed various analyses and research. Once we had performed enough work and gathered

enough information to form preliminary conclusions, we met with counsel to ACC and discussed our preliminary findings. Counsel utilized this information to understand the strengths and weaknesses of the claims thus allowing counsel to the ACC entities to use our preliminary findings in reaching a settlement of the potential claims that could be brought by the ABIZ Committees against the ACC entities.

BDO Seidman, LLP addressed claims raised on behalf of the Devon Mobile Liquidating Trust, including alleged fraud, fraudulent conveyance, alter ego, deepening insolvency, preference and breach of contract claims in excess of \$175 million.

BDO's role in the Devon Mobile matter was to assist counsel in analyzing the claims with the objective of preparing counsel for trial on accounting related issues. BDO's work included building a database of all payments and copies of invoices for payments that were made by ACC on behalf of Devon Mobile. This database allowed for an efficient review and testing of the payments in order to confirm that they were made on behalf of Devon Mobile and to refute the allegations, related to the commingling of funds and intercompany accounts. Counsel to ACC on this matter often required information contained in the database which was easily accessible. BDO prepared an expert report in this matter and the BDO expert was deposed. BDO also provided assistance to counsel in preparing for the deposition of various individuals and preparation for trial. At trial the parties reached a settlement that resulted in the \$175 million in claims on behalf of Devon Mobile being dropped.

2) The time billed for the services and the billing rates.

See paragraph 11, 12 and Exhibit "A."

3) Steps taken by the Final Applicant to provide services solely within their scope of employment, as prescribed by their respective retention orders.

BDO Seidman, LLP's services were only within the area of forensic accounting, including bankruptcy related accounting issues, database analysis and management, interviewing individuals relevant to the issues addressed, and reporting findings. When legal expertise was needed, BDO relied on the guidance of counsel in the particular matter and when certain industry specific expertise was needed, BDO relied on professionals with the relevant expertise.

4) Coordination of the Final Applicant's services with those of other professionals in the Adelphia Case to limit or prevent duplication of work being done.

BDO Seidman, LLP took its direction and guidance from the law firms that were representing ACC in the various actions in which BDO's services were required. In performance of its work BDO would, when possible, review the work of other professionals that had done work on similar issues so as to minimize the time we

spent and thereby our professional fees. For example, prior to studying the cash management system at ACC, BDO reviewed various reports that had been prepared on the subject so as to be more efficient in the performance of our work.

- 5) Whether the services were necessary to the administration of, or beneficial at the time at which the services were rendered.

The services provided by BDO Seidman, LLP were necessary and beneficial at the time the services were rendered. BDO's work related to ABIZ resulted in the parties reaching a settlement without the need for protracted litigation. The work of BDO in the Devon Mobile matter resulted in the settlement of a \$175 million claim in which it was agreed that both sides would drop their claims and counterclaims, resulting in ACC not making any payment to settle the matter.

- 6) Whether the services were performed within a reasonable amount of time commensurate with the complexity, importance and nature of the problem, issue or task addressed.

The work of BDO Seidman, LLP was performed within a reasonable amount of time for the complexity, importance and nature of the issues addressed.

- 7) The opposition encountered and the problems that arose.

BDO Seidman, LLP did not encounter any opposition per se. Some of the problems that BDO dealt with included, but was not limited to, various personnel that were relevant to the issues being investigated were no longer employed by ACC. Certain other individuals were leaving the employ of ACC shortly after BDO began its work, making it necessary to speak with them on an expedited basis, which is not uncommon in a litigation setting.

In the Devon Mobile matter, there were difficulties in obtaining requested documentation from the opposing party.

- 8) Compliance with Fee Committee Memorandum.

To the best of BDO's knowledge, information and belief, formed after reasonable inquiry, BDO is in compliance with the Fee Committee Memorandum.

- 9) Any amounts by which the fees of the Final Applicant have been reduced voluntarily, with respect to an Interim Application or otherwise, prior to their submission to or review by the Fee Committee identified by work code or, if none, by description.

BDO's fees requested in this Final Application are net of voluntarily reductions in the aggregate amount of \$124,097.16; this amount is for (a) \$76,626.66 for a 5% reduction in non-partner charges; and (b) \$47,470.50 for limiting professional rates to a maximum of \$475 per hour through June 2005 pursuant to BDO's retention agreement. The total amount incurred at BDO's standard rates for this

application period is \$2,001,136.00. Please see chart attached hereto as Exhibit "C" for the detail of reductions by interim application period.

- 10) Any amounts by which the fees of the Final Applicant have been reduced at the recommendation of the Fee Committee, with respect to an Interim Application or otherwise, identified by work code or, if none, by description.

BDO's fees requested in this Final Application are net of Fee Committee recommended reductions in the aggregate amount of \$41,611.81^u. These reductions were not specifically related to any particular work code or expense. Please see chart attached hereto as Exhibit "C" for the detail by interim application period.

- 11) Any amounts by which the expenses of the Final Applicant have been reduced voluntarily, with respect to an Interim Application or otherwise, prior to their submission to or review by the Fee Committee identified by expense category. BDO only requested actual out-of-pocket expenses incurred in connection with services rendered that are reimbursable pursuant to Bankruptcy Court rules. Certain expenses, billed in the normal course of business to clients in non-bankruptcy matters, were not included in such requests.

- 12) Any amounts by which the expenses of the Final Applicant have been reduced at the recommendation of the Fee Committee, with respect to an Interim Application or otherwise, identified by expense category.

There were no reductions specifically related to expenses requested by BDO. Please see factor 10) above.

- 13) Any other matters that the Fee Committee believes should be considered by the Bankruptcy Court in its final determination of compensation and expense reimbursement for the Final Applicant.

N/A.

^u BDO reached an agreement to reduce fees in the amount of \$8,581.81 with Legal Cost Control for the interim application period November 1, 2003 through June 30, 2004, however, due to an apparent oversight this agreement was not reflected in an order prepared by the Fee Committee.

**III
CONCLUSION**

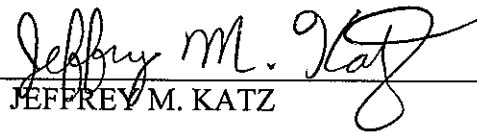
19. For all of the reasons set forth in this application, BDO respectfully submits that the services it has rendered and the disbursements it has incurred on behalf of the Debtor during this case have been reasonably expended in order to adequately represent and protect the interests of the Debtor in this case. BDO submits further that it has provided such services in an economical and efficient manner. Accordingly, BDO requests that the relief requested in this Application be granted in all respects.

WHEREFORE, BDO RESPECTFULLY REQUESTS that this Court enter its order allowing BDO fees and expenses in the total amount of \$1,864,151.60 (representing \$1,835,427.03 in fees and \$28,724.57 in expenses).

DATED in New York, New York on this 28th Day of March, 2007.

BDO Seidman, LLP
330 Madison Avenue
10th Floor
New York, N.Y. 10017
Telephone Number: (212) 885-8000
Facsimile Number: (212) 697-1299

Special Forensic Accountants For The Debtor



JEFFREY M. KATZ

Sworn and subscribed to before
me this 28th day of March, 2007



NOTARY PUBLIC

MARGARET ADAMS
Notary Public, State of New York
No. 01AD 4776353
Qualified in Kings County
Commission Expires February 28, 2011