

Return Date: October 28, 1998
Time: 10:00 a.m.

UNITED STATES DISTRICT BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

ALLIANCE ENTERTAINMENT CORP.,
et al.,

Debtors.

Chapter 11

Case No. 97B 44673 (BRL)

Jointly Administered

**SUPPLEMENT TO APPLICATION OF BANKERS TRUST COMPANY,
AS INDENTURE TRUSTEE FOR AN ORDER ALLOWING
THE FEES AND EXPENSES OF THE INDENTURE TRUSTEE,
PURSUANT TO 11 U.S.C. §§ 503(B)(1)(A), (B)(3)(D), (B)(4) AND (B)(5)**

TO: THE HONORABLE BURTON R. LIFLAND
UNITED STATES BANKRUPTCY JUDGE

Bankers Trust Company, as Indenture Trustee (the "Trustee") for the holders (the "Noteholders") of 11-1/4% Senior Subordinated Notes in the original principal amount of \$125,000,000 due 2005 issued by Alliance Entertainment Corp. and guaranteed by certain of its affiliates, by its counsel, Seward & Kissel, hereby submits this supplement to its application (the "Application") for the payment of its fees and expenses as an administrative priority expense pursuant to 11 U.S.C. §§ 503(b)(1)(A), (b)(3)(D), (b)(4) and (b)(5), and in support thereof respectfully represents as follows:

1. On October 5, 1998, Bankers Trust Company ("Bankers Trust") filed the Application. The Debtors objected to the Application on the grounds that the Trustee failed to demonstrate that it made a substantial contribution to the Debtors' chapter 11 reorganization and that the Trustee did not provide sufficient records to substantiate the services for which compensation is sought.

2. To supplement the statements attached to the Application, Bankers Trust submits a more detailed statement of its services rendered as Trustee as Exhibit A, and a copy of Seward & Kissel's time records and expense records as counsel to the Trustee, as Exhibit B. It should be noted that the Application does not seek reimbursement for any time expended by Seward & Kissel relating to the resignation of Bankers Trust as Trustee and the appointment of Marine Midland Bank as successor trustee. Accordingly, of the \$57,936.50 in services described on Exhibit B, only \$49,167.50 are the subject of the Application.

WHEREFORE, Bankers Trust respectfully requests that the Court enter an order, allowing it an administrative claim of \$11,037.92 for its fees and \$85.00 for its own expenses during the cases and an allowance of \$49,167.50 for attorneys fees, together with reimbursement for actual and necessary expenses of its attorneys in the amount of \$616.28 for a total award of \$60,906.70; and grant Bankers Trust such other and further relief as is just and proper.

Dated: New York, New York
October 27, 1998

SEWARD & KISSEL

By: /s/ Ronald L. Cohen
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Indenture Trustee

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