

IN THE UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

_____)	
In re)	
)	
ALLIANCE ENTERTAINMENT CORP.,)	
et al.,	)	Chapter 11
)	
	)	Case No. 97 B 44673
Debtors.	)	(BRL)
)	
	)	(Jointly Administered)
_____)	

FINAL APPLICATION OF CAHILL GORDON &
REINDEL, SPECIAL COUNSEL TO THE DEBTORS,
FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES

Name of Applicant: Cahill Gordon & Reindel

Role in the Case: Special Counsel to the Debtors

Fees Previously Requested: \$322,036.00

Fees Previously Awarded: \$322,036.00

(Total Holdbacks: \$64,407.20)

Expenses Previously Requested: \$30,954.39

Expenses Previously Awarded: \$30,453.39

Retainer Paid: Net \$11,074.53

Current Application

Period for which compensation and
reimbursement is sought: July 14, 1997 to August 19, 1998

Final Fee Requested (for entire case): \$476,924.00

Expenses Requested (for entire case): \$50,040.30

CAHILL GORDON & REINDEL
July 14, 1997 - August 19, 1998

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Stephen A. Greene, Partner	Joined firm as Associate in 1965; became Partner in 1972; Member, New York Bar since 1965; 32 years experience specializing in corporate and securities matters	\$496.00 480.00 thru Oct. 1, 1997	376.30 160.00	\$186,644.80 76,800.00
Richard L. Reinhold, Partner	Joined firm as Counsel in 1985; became Partner in 1985; Member, New York Bar for 20 years; prior experience as an Attorney-Advisor of Tax Policy, U.S. Department of Treasury (1982-1984); expertise in tax matters	496.00 480.00 thru Oct. 1, 1997	7.40 9.20	3,670.40 4,416.00
Laurence A. Silverman, Partner	Joined firm as Associate in 1980, became Partner in 1985; Member New York Bar since 1977; prior experience as lead bankruptcy attorney for BPHI on Olympia and York bankruptcy; and having done other bankruptcy work, expertise in litigation of all types	496.00 480.00 thru Oct. 1, 1997	.40 1.70	198.40 816.00
Laurence T. Sorkin, Partner	Joined firm as Associate in 1969; became Partner in 1975; Member New York Bar since 1968; expertise in antitrust trade regulations and Hart-Scott-Rodino matters	480.00	.80	384.00
Craig Horowitz, Associate	Joined firm as Associate in 1996; Member, New York Bar for 8 years; expertise in tax matters	468.00	.40	187.20

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Marc J. Korpus, Senior Attorney	Joined firm as law clerk in 1981; became Associate in 1982; became Senior Attorney in 1990; Member, New York Bar since 1985; 12 years experience specializing in bankruptcy matters	416.00 396.00 thru Oct. 1, 1997	.30 3.20	124.80 1,267.20
Daniel Cantor, Associate	Joined firm as Associate in 1989; Member, New York Bar Since 1990, expertise in litigation matters	364.00 344.00 thru Oct. 1, 1997	36.00 3.30	13,104.00 1,135.20
Andrew H. Rosen, Associate	Joined firm as Clerk/Associate in 1996; admitted in California only since December 1992, 5 years prior experience in LL.M. in tax; expertise in federal tax matters	364.00 296.00 thru Oct. 1, 1997	16.50 26.50	6,006.00 7,844.00
Donna M. Bryan, Associate	Joined firm as Associate in 1994; Member, New York Bar since December 1995; expertise in corporate matters	264.00 228.00 thru Oct. 1, 1997	117.90 46.50	31,125.60 10,602.00
Jeffrey Van Hove, Associate	Joined firm as Associate in 1998; admitted in Minnesota and Pennsylvania; expertise in tax matters	264.00	4.70	1,240.80
Sanjay Wadhwa, Associate	Joined firm as law clerk in 1996; became Associate in 1997; Member, New York Bar since July 1997; 1 year prior experience in LL.M. in tax; expertise in tax matters	264.00 228.00 thru Oct. 1, 1997	12.00 6.70	3,168.00 1,527.60
Agnelo Azulay, Paraprofessional	Director of Corporate Research, 19 years	232.00 212.00 thru Oct. 1, 1997	3.00 1.70	696.00 360.40
Steven Khadavi, Associate	Joined firm as law clerk in 1995; became Associate in 1996; Member, New York Bar 8 months; expertise in corporate matters	212.00 188.00 thru Oct. 1, 1997	16.00 7.20	3,392.00 1,353.60

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Barbara Brincefield, Research Director	Research and Legislative Attorney, 20 years	208.00 196.00 thru Oct. 1, 1997	.70 2.00	145.60 392.00
Robert Cawthra, Managing Attorney	Managing Attorney, 27 years	196.00	1.00	196.00
Robert D. Shuman, Associate	Joined firm as Associate in 1998; Member, New York Bar 3 months; expertise in corporate matters	196.00	272.90	53,488.40
David Fitzgerald, Law Clerk	Student at Fordham University School of Law; joined firm as clerk during summer of 1997, worked part-time at firm for 6-7 months	188.00	20.20	3,797.60
Kavita Natarajan, Summer Associate	Student at Fordham University School of Law; joined firm as summer associate during summer of 1998; at firm for 2-3 months	188.00	65.60	12,332.80
Nicholas J. Marcantonio, Deputy Managing Attorney	Deputy Managing Attorney, 10 years	168.00	1.70	285.60
Francine Gioia, Paraprofessional	Paralegal, 13 years	156.00	3.50	546.00
Helen Murphy, Paraprofessional	Paralegal, 2 years	156.00	8.20	1,279.20
Joanne Kowalsky, Paraprofessional	Paralegal, 8 years	124.00 116.00 thru Oct. 1, 1997	14.50 9.40	1,798.00 1,090.40
Rebecca Guilbert, Paraprofessional	Paralegal, 4 years	104.00 96.00 thru Oct. 1, 1997	238.70 25.20	24,824.80 2,419.20
Margaret Davenport, Head Librarian	Head Librarian, 17 years	96.00	.20	19.20
Abdul Ahmad, Paraprofessional	Paralegal, 22 years	92.00	4.00	368.00

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Kevin Wells, Paraprofessional	Paralegal, 8 months	84.00	24.00	2,016.00
Christine Westbrook, Paraprofessional	Paralegal, 8 months	84.00 76.00 thru June 25, 1998	31.00 1.40	2,604.00 106.40
Michael Bizik, Paraprofessional	Paralegal, 10 years	76.00 72.00 thru Oct. 1, 1997	1.70 2.00	129.20 144.00
Antoinette Hinds, Paraprofessional	Paralegal, 10 months	76.00	1.50	114.00
Valerie Karasz, Paraprofessional	Paralegal, 2 years	76.00	4.40	334.40
Proofreaders	Paraprofessionals	76.00 72.00 thru Oct. 1, 1997	146.30 18.20	11,118.80 1,310.40

Grand Total

1,756.00

476,924.00

Blended Rate \$271.59/hour

Pursuant to 11 U.S.C. §§ 330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure and the Order dated August 13, 1997 Establishing Administrative Procedures in the Debtors' Chapter 11 Cases (the "Administrative Order"), the law firm of Cahill Gordon & Reindel ("CG&R") hereby moves this Court for a final order awarding its reasonable compensation with respect to the above-captioned debtors and debtors in possession (the "Debtors") for professional legal services rendered as special counsel to the Debtors in the total amount, from the inception of the case through the effective date of the Debtors' reorganization plan, of \$476,924.00, together with reimbursement for actual and necessary expenses incurred in the amount of \$50,040.30 for the period July 14, 1997 through August 19, 1998. CG&R has previously been awarded, on an interim basis, a total of \$322,036.00 in fees (subject to the uniform holdback applied to all professionals in the case) for the first, second and third interim fee periods since the commencement of the case (i.e., for periods up through April 30, 1998). CG&R has also been awarded a total of \$30,453.39 in reimbursement of expenses incurred from the commencement of the case through April 30, 1998. CG&R respectfully requests that the Court (a) confirm the interim awards it previously made, and (b) that the Court award CG&R an additional \$154,888.00 in compensation and \$19,085.91 in expenses for the period from

June 1, 1998 through August 19, 1998 (the "Final Application Period"). In support of its application, CG&R respectfully represents as follows:

Background

1. On July 14, 1997 (the "Petition Date"), Alliance Entertainment Corp. ("Alliance") and fourteen of its direct and indirect subsidiaries (collectively with Alliance, the "Debtors"), filed voluntary chapter 11 petitions in this Court. The Debtors continued as debtors in possession under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") until the effective date of their First Amended Joint Plan of Reorganization (the "Plan") on August 19, 1998.

2. Pursuant to an Order entered by this Court on the Petition Date, CG&R was employed pursuant to Sections 327(e), 328(a) and 1107(b) of the Bankruptcy Code under a general retainer to serve as special corporate, tax, litigation, and ERISA counsel to the Debtors, as debtors and debtors in possession, to perform the services set forth in paragraph 9 of the Application of Debtors for Order Authorizing Debtors to Employ and Retain Cahill Gordon & Reindel as Special Corporate, Tax, ERISA and Litigation Counsel, dated the Petition Date (the "Retention Application").

3. Under paragraph 9 of the Retention Application, CG&R was expected to be employed to provide services to the Debtors in connection with federal and state securities law matters, tax and pension matters, corporate governance and assistance in debtor-in-possession financing, other postpetition transactions, including asset sales, financing transactions in connection with a reorganization plan, and such litigation matters as were designated by the Debtors and did not constitute matters central to the Debtors' reorganization. CG&R's services for the Debtors commenced on the Petition Date.

4. All services for which compensation is requested by CG&R were performed for or on behalf of the Debtors and not on behalf of any committee, creditor or other person.

5. CG&R was retained to provide services under a general retainer at its customary hourly rates, subject to Section 330 of the Bankruptcy Code and approval of allowance of compensation and reimbursement of expenses by the Court. No party or person other than the Debtors has agreed to compensate CG&R or has compensated CG&R for its services as special counsel.

6. The names, hourly rates, and other data concerning CG&R professionals and paraprofessionals who provided services for the Debtors during the Debtors' reorganization are set

forth above. CG&R charged the same hourly rates to nonbankruptcy clients for similar services during the applicable periods.

7. CG&R respectfully requests that the Court finally allow the fees and expenses previously allowed to CG&R on an interim basis. In support thereof:

- (a) Attached hereto in Exhibit A is a copy of CG&R's First Interim Fee Application, dated December 1, 1997, as previously filed, including a detailed statement of professional services rendered to the Debtors during the period of July 14, 1997 to October 31, 1997, and a statement of expenses incurred during the same period.
- (b) Attached hereto in Exhibit B is a copy of CG&R's Second Interim Fee Application, dated March 2, 1998, as previous filed, including a detailed statement of professional services rendered during the period of November 1, 1998 to January 31, 1998, and a statement of expenses incurred during the same period.
- (c) Attached hereto in Exhibit C is a copy of CG&R's Third Interim Fee Application, dated June 1, 1998,

as previously filed, including a detailed statement of professional services rendered during the period of February 1, 1998 to April 30, 1998, and a statement of expenses incurred during the same period.

8. In addition, CG&R requests final allowance of compensation for services rendered and reimbursement of expenses incurred during the Final Application Period, and in support thereof:

- (a) Attached hereto as Exhibit D is a detailed statement of professional services rendered during the month of May, 1998 showing the amount of \$66,423.60 as CG&R's allowable compensation for such services and \$11,025.84 in reimbursable expenses.
- (b) Attached hereto as Exhibit E is a detailed statement of professional services rendered during the month of June, 1998 showing the amount of \$46,411.60 as CG&R's allowable compensation for such services and \$5,489.49 in reimbursable expenses.

- (c) Attached hereto as Exhibit F is a detailed statement of professional services rendered during the month of July, 1998 showing the amount of \$37,728.00 as CG&R's allowable compensation for such services and \$1,836.73 in reimbursable expenses.
- (d) Attached hereto as Exhibit G is a detailed statement of professional services rendered during the period from August 1, 1998 to August 19, 1998 showing the amount of \$4,324.80 as CG&R's allowable compensation for such services and \$733.85 in reimbursable expenses.

SUMMARY OF SERVICES RENDERED

During the Entire Chapter 11 Case

9. As special counsel to the Debtors, CG&R made an important contribution to the rapid achievement of a consensual reorganization plan for the Debtors, approved by the Court within one year of the Debtors' Petition Date.

10. Central to the Debtors' reorganization strategy was the sale of the Debtors' remaining non-core businesses, Red Ant, Concord and Castle. CG&R, as special counsel, represented and advised the Debtors in connection with the corporate and

U.S. tax aspects of these transactions, working together with Willkie, Farr & Gallagher, the Debtors' reorganization counsel, the Debtors' financial advisors, and other professionals. The sale of Red Ant and Castle were effective prior to the Debtors' emergence from bankruptcy.

11. In addition, CG&R has provided general corporate and tax advice, and representation of the Debtors in litigation.

12. CG&R's services for the Debtors are described in greater detail below (in respect of the Final Application Period) and in each of the Interim Applications previously filed by CG&R, copies of which are annexed hereto as Exhibits A, B and C.

13. For the entire case (including the Final Application Period), CG&R's services may be summarized under the following categories:

- A. Corporate General (Total Hours: 510.20; Total Fees: \$217,483.20)

Securities law compliance and general corporate work, including all work related to the sale of the Debtors' Red Ant business.

- B. General Litigation (Total Hours: 46.70; Total Fees: \$16,690.00)

Representation of the Debtors in connection with the Schaeffer securities law litigation matter and in connection with the CMC arbitration, which resulted in a substantial recovery for the estate.

C. DIP Financing (Total Hours: .50; Total Fees: \$248.00)

Advice to the Debtors in connection with debtor in possession financing

D. Reorganization (Total Hours: 399; Total Fees: \$39,735.60)

Category to record paralegal time and expenses in connection with preparation of fee applications.

E. Tax (Total Hours: 58.40; Total Fees: \$19,397.60)

Provision of tax advice to the Debtors.

F. Castle (Total Hours: 418.90; Total Fees: \$109,592.80)

Corporate, tax and regulatory work as the Debtor's counsel in connection with the sale of the Castle business.

G. Concord (Total Hours: 324.80; Total Fees: \$73,592.80)

Corporate, tax and regulatory work as the Debtor's counsel in connection with proposals for the sale of the Concord business.

During the Final Application Period

14. The CG&R attorneys who have rendered professional services in this case during the Final Application Period are Stephen A. Greene, Richard L. Reinhold, Craig Horowitz, Donna M. Bryan, Steven Khadavi, Robert D. Shuman, and Kavita Natarajan, Summer Associate. Research-related services were provided by Agnelo Azulay and Barbara Brincefield and managing attorney office services were provided by Nicholas J. Marcantonio and Abdul Ahmad. Additional services were performed by the paralegals and paraprofessionals as set forth in Exhibits D, E, F and G to this application.

15. CG&R, by and through the above-named persons, has represented and advised the Debtors with respect to legal matters in connection with the operation and reorganization of their businesses, including the sale of certain of the Debtors' businesses and legal services with respect to securities law compliance, general corporate matters, ongoing litigation, and other matters. CG&R has used its best efforts to avoid overlap of services with those of Willkie Farr & Gallagher, reorganization counsel to the Debtors.

SUMMARY OF SERVICES BY PROJECT DURING FINAL APPLICATION PERIOD

16. The services rendered by CG&R during the Final Application Period can be grouped into the categories set forth below. The attorneys, paralegals and paraprofessionals who rendered services relating to each category are identified, along with the number of hours for each individual and the total compensation sought for each category, in Exhibits D-G attached hereto.

A. Corporate General

(Fees - \$21,441.00; Hours - 44.20)

17. During the Final Application Period, CG&R provided general corporate law advice and representation for the Debtors, including attendance at meetings of the board of directors, advice in respect of corporate issues under the proposed plan of reorganization, stock transfers, SEC reports and Securities and Exchange Act compliance issues, review of a proposed press release, and attendance at the hearing on approval of the plan with respect to corporate issues. In addition, CG&R conducted discussions with purchasers regarding the effect of the reorganization plan on the Red Ant sale. Corporate representation was primarily provided by Stephen A. Greene, Esq. and Steven Khadavi, Esq.

B. Reorganization

(Fees -\$13,546.40; Hours - 137.90)

18. Preparation of fee applications (all of the time recorded in this category was by paralegals).

C. Castle (UK Operations)

(Fees - \$87,790; Hours - 354.30)

19. During the Final Application Period, CG&R provided representation and advice to the Debtors in connection with the Castle sale, including revisions to sale agreement, discussion with potential purchasers, attendance at sale hearing, attendance at the auction and closing of sale. Work on this matter has been conducted by Stephen A. Greene, Esq., Richard L. Reinhold, Esq., Donna M. Bryan, Esq., Robert D. Shuman, Esq., Kavita Natarajan, Summer Associate and Kevin Wells, Legal Assistant.

D. Concord

(Fees - \$32,606; Hours - 151.30)

20. During the Final Application Period, CG&R provided representation of the Debtors and preparation of documentation concerning the Concord asset sale proposals, including

preparation and negotiation of an asset purchase agreement and escrow agreement. Work on this matter was primarily carried out by Stephen A. Greene, Esq., Donna M. Bryan, Esq. and Robert D. Shuman, Esq.

DISBURSEMENTS

21. CG&R has incurred actual, reasonable and necessary disbursements during the Final Application Period in the amount of \$19,085.91. This disbursement amount is broken down into categories of charges, by project, and all expenses are summarized in Exhibits D-G attached hereto.

22. For the Final Application Period Cahill's rate for xeroxing is \$.15 per page, its rate for outgoing long distance telecopier transmissions is \$1.25 per page (including related toll charges) and there is no charge for incoming or local telecopier transmissions. Computer legal research is billed at CG&R's costs, which include the cost of computer equipment, telephone lines, support personnel and supplies (not including paper) and other related items.

23. Cahill's ordinary business practice is to bill clients for proofreaders' time and word processing expenses separately from attorney time. Because Cahill's clients' need for word processing and proofreading services varies greatly,

depending on whether the legal work being performed for them involves the creation of extensive documentation, Cahill follows a policy of "unbundling" these document production costs and billing for them separately. As a result, these costs are not part of the firm's overhead.

24. Expenses for overtime meals of \$104.93 are also included in the disbursement amounts. In each case the amount sought is not in excess of \$20.00 per meal. These expenses are justified as overtime meals for professionals providing services late at night and in transactions important to the case.

CONCLUSION

25. During the entirety of the bankruptcy case, attorneys and paraprofessionals of CG&R have expended a total of 1,756.00 hours for fees totaling \$476,924.00. Following the cover page to the Application is a schedule summarizing the time expended by attorneys and paraprofessionals during the entire bankruptcy case, including the minimum hourly rates of each individual.

26. The nature of the work performed by these individuals is fully set forth in exhibits attached hereto. These are CG&R's normal minimum hourly rates for work of this charac-

ter. The reasonable value of the services rendered by CG&R to the Debtors during the entire bankruptcy case is \$476,924.00.

27. In accordance with the factors enumerated in 11 U.S.C. § 330, the amount requested is fair and reasonable given (a) the complexity of this case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

WHEREFORE, CG&R prays that final allowance be made to it in the sum of \$476,924.00 as compensation for necessary professional services rendered to the Debtor during the bankruptcy case (including \$154,888.00 for the Final Application Period from May 1, 1998 through August 19, 1998) and in the sum of \$50,040.30 for reimbursement of actual necessary costs and expenses incurred during the case (including \$19,085.91 incurred during the Final Application Period) and for the Court to grant such other and further relief as this Court may deem just and proper.

DATED: October 5, 1998

/s/ Stephen A. Greene
Stephen A. Greene (SG-2167)
CAHILL GORDON & REINDEL
(a partnership including a
professional corporation)
80 Pine Street
New York, New York 10005
(212) 701-3000

IN THE UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

_____)	
In re)	
)	
ALLIANCE ENTERTAINMENT CORP.,)	
et al.,	)	Chapter 11
)	
	)	Case No. 97 B 44673
Debtors.	)	(BRL)
)	
	)	(Jointly Administered)
_____)	

AFFIDAVIT OF STEPHEN A. GREENE PURSUANT TO SECTION 504 OF THE
BANKRUPTCY CODE, RULE 2016 OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE, AND CERTIFICATION OF COMPLIANCE WITH
LOCAL FEE AND EXPENSE GUIDELINES

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

STEPHEN A. GREENE, being duly sworn, deposes and
says:

1. I am a member of the bar of this Court and a
partner of the Applicant firm of Cahill Gordon & Reindel
("Cahill"). I make this Certification in compliance with the
Amended Guidelines for Fees and Disbursements for Professionals
in Southern District of New York Bankruptcy Cases, dated

April 19, 1995 (the "Amended Local Guidelines") in support of the Final Application for Allowance of Fees and Reimbursement of Expenses of Cahill Gordon & Reindel, Special Corporate, Tax, Litigation etc. Counsel to the Debtors, dated October 6, 1998 (the "Final Fee Application").

2. No agreement or understanding exists between Cahill Gordon & Reindel and any person for a division of compensation or reimbursement received or to be received herein or in connection with the within cases.

3. Cahill Gordon & Reindel has received no payment or promise of payment for the services rendered in these chapter 11 cases other than as disclosed in the application for Cahill's retention as special counsel for the Debtors and in the Second Interim Application.

4. (a) I have read the Final Application. (b) To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Amended Local Guidelines and the guidelines promulgated by the Executive Office for the United States Trustees (the "UST Guidelines"). (c) Except to the extent that fees or disbursements have been adjusted to comply with the Amended Local Guidelines or the UST Guidelines, the fees and disbursements sought are billed at rates and in accordance with prac-

tices customarily employed by the applicant and generally accepted by the applicant's clients. (d) In providing a reimbursable service, the applicant does not make a profit on that service, whether the service is performed by the applicant in-house or through a third party.

5. The co-chairs of the official committee of unsecured creditors and the Debtors have each been provided not later than 20 days after the end of each calendar month during the period covered by the Final Application with a statement of fees and disbursements accrued during such period, in substantial compliance with paragraph (B)(2) of the Amended Local Guidelines (other than with respect to the month of August, 1998, for which statements were not available until after the effective date of the Debtors' reorganization plan). The Debtors have been provided with a copy of this Application, substantially in the form in which it is filed, 10 days prior to the date of this Application.

/s/ Stephen A. Greene
Stephen A. Greene (SG-2167)

SWORN TO AND SUBSCRIBED
before me this 5th day
of October, 1998.

/s/ Rose Basso
Notary Public
My Commission Expires:

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - X

In re :
ALLIANCE ENTERTAINMENT CORP., : AFFIDAVIT OF SERVICE
et al., :
Debtors. :

- - - - - X

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

NICHOLAS J. MARCANTONIO, being duly sworn, deposes
and says:

1. I am over the age of 18 years and not a party to
this action.

2. On the 5th day of October, 1998 I served the an-
nexed FINAL APPLICATION OF CAHILL GORDON & REINDEL, SPECIAL
COUNSEL TO THE DEBTORS, FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES upon:

Rumpere Capital
767 Third Avenue
Fifth Floor
New York, New York 10017
Attn: Mr. Peter M. Faulkner

Office of the U.S. Trustee
80 Broad Street, 3rd Floor
New York, New York 10004
Attn: Brian Masumoto, Esq.

Willkie Farr & Gallagher
787 Seventh Avenue
New York, NY 10019-6099
Joseph Capella

by causing true and correct copies thereof to be hand delivered to the office of the above-mentioned attorneys.

3. On the 5th day of October, 1998 I served the annexed FINAL APPLICATION OF CAHILL GORDON & REINDEL, SPECIAL COUNSEL TO THE DEBTORS, FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES upon:

Alliance Entertainment Corp.
4250 Coral Ridge Drive
Coral Springs, FL 33065
Attn: Mr. David Hawthorne

by mailing a true and correct copy to the above individual by
Express Mail.

/s/ Nicholas J. Marcantonio
NICHOLAS J. MARCANTONIO

Sworn to before me this
5th day of October, 1998

/s/ Stella L. Marotta
Notary Public

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re)
)
)
ALLIANCE ENTERTAINMENT CORP.,)
et al.,) Chapter 11
)
) Case No. 97 B 44673
Debtors.) (BRL)
)
) (Jointly Administered)
_____)

FIRST INTERIM APPLICATION OF CAHILL GORDON
& REINDEL, SPECIAL COUNSEL TO THE DEBTORS,
FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES

Name of Applicant: Cahill Gordon & Reindel

Role in the Case: Special Counsel to the Debtors

Fees Previously Requested: \$ None

Fees Previously Awarded: \$ None

Expenses Previously Requested: \$ None

Expenses Previously Awarded: \$ None

Retainer Paid: Net \$11,074.53

Current Application

Period for which compensation and
reimbursement is sought: July 14, 1997 to October 31, 1997

Interim Fee Requested: \$135,610.80

Expenses Requested: \$12,123.91

CAHILL GORDON & REINDEL
July 14, 1997 - October 31, 1997

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Stephen A. Greene, Esq., Partner	Joined firm as associate in 1965; became partner in 1972; Member New York Bar since 1965; 32 years experience specializing in corporate and securities matters	\$496.00 480.00	39.60 160.00	19,641.60 76,800.00
Richard L. Reinhold, Esq., Partner	Joined firm as counsel in 1985; became partner in 1985; Member New York Bar for 20 years; prior experience as an Attorney-Advisor of Tax Policy, U.S. Department of Treasury (1982-1984); expertise in tax matters	480.00	9.20	4,416.00
Laurence A. Silverman, Esq., Partner	Joined firm as associate in 1980; became partner in 1985; Member New York Bar since 1977; prior experience as lead bankruptcy attorney for BPHI on Olympia & York bankruptcy; and having done other bankruptcy work, expertise in litigation of all types	496.00 480.00	.40 1.70	198.40 816.00
Laurence T. Sorkin, Esq., Partner	Joined firm as associate in 1969; became partner in 1975; Member New York Bar since 1968; expertise in antitrust trade regulations and Hart-Scott-Rodino matters	480.00	.80	384.00
Marc J. Korpus, Esq., Senior	Joined firm as law clerk	396.00	3.20	1,267.20

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Attorney	in 1981; became associate in 1982; became senior attorney in 1990; Member New York Bar since 1985; 12 years experience specializing in bankruptcy matters			
Daniel Cantor, Esq., Associate	Joined firm as associate in 1989; Member New York Bar since 1990; expertise in litigation matters	364.00 344.00	.30 3.30	109.20 1,135.20
Andrew H. Rosen, Esq., Associate	Joined firm as clerk/associate in 1996; admitted in California only since December 1992; 5 years prior experience in LL.M in tax; expertise in federal tax matters	296.00	26.50	7,844.00
Donna M. Bryan, Esq., Associate	Joined firm as associate in 1994; Member New York Bar since December 1995; expertise in corporate matters	264.00 228.00	5.10 46.50	1,346.40 10,602.00
Sanjay Wadhwa, Esq., Associate	Joined firm as law clerk in 1996; became associate in 1997; Member New York Bar since July 1997; 1 year prior experience in LL.M in tax; expertise in tax matters	228.00	6.70	1,527.60
Steven Khadavi, Esq., Associate	Joined firm as law clerk in 1995; became associate in 1996; Member New York Bar 8 months; expertise in corporate matters	212.00 188.00	1.30 7.20	275.60 1,353.60
Agnelo Azulay, Paraprofes-	Director of Corporate	232.00	.30	69.60

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
sional	Research, 19 years	212.00	1.70	360.40
Barbara Brincefield, Attorney	Research and legislative attorney, 20 years	196.00	2.00	392.00
Robert Cawthra, Managing Attorney	Managing Attorney, 27 years	196.00	1.00	196.00
Joanne Kowalsky, Paraprofessional	Paralegal, 8 years	116.00	9.40	1,090.40
Rebecca Guilbert, Paraprofessional	Paralegal, 4 years	104.00 96.00	14.00 25.20	1,456.00 2,419.20
Michael Bizik, Paraprofessional	Paralegal, 10 years	72.00	2.00	144.00
Proofreaders	Paraprofessionals	76.00 72.00	6.00 18.20	456.00 1,310.40

Grand Total 391.60 135,610.80

Blended Rate \$346.30/hour

Pursuant to 11 U.S.C. §§ 330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure and the Order dated August 13, 1997 Establishing Administrative Procedures in the Debtors' Chapter 11 Cases (the "Administrative Order"), the law firm of Cahill Gordon & Reindel ("CG&R") hereby moves this Court for an interim order awarding its reasonable compensation with respect to the above-captioned debtors and debtors in possession (the "Debtors") for professional legal services rendered as special counsel to the Debtors in the amount of \$135,610.80 together with reimbursement for actual and necessary expenses incurred in the amount of \$12,123.91 for the pe-

riod July 14, 1997 through and including October 31, 1997 (the "Application Period"). In support of its application, CG&R respectfully represents as follows:

Background

1. On July 14, 1997 (the "Petition Date"), Alliance Entertainment Corp. ("Alliance") and fourteen of its direct and indirect subsidiaries (collectively with the Alliance, the "Debtors"), filed voluntary chapter 11 petitions in this Court. The Debtors have continued as debtors in possession under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors' chapter 11 cases have been consolidated for procedural purposes only.

2. Pursuant to an Order entered by this Court on the Petition Date, CG&R was employed pursuant to Sections 327(e), 328(a) and 1107(b) of the Bankruptcy Code under a general retainer to serve as special corporate, litigation, and ERISA counsel to the Debtors, as debtors and debtors in possession to perform the services set forth in paragraph 9 of the Application of Debtors for Order Authorizing Debtors to Employ and Retain Cahill Gordon & Reindel as Special Corporate, Tax, ERISA and Litigation Counsel, dated the Petition Date (the "Retention Application").

3. Under paragraph 9 of the Retention Application, CG&R was expected to be employed to provide services to the Debtors in connection with federal and state securities law matters, tax and pension matters, corporate governance and assistance in debtor-in-possession financing, other postpetition transactions, including asset sales, financing transactions in connection with a reorganization plan, and such litigation matters as are designated by the Debtors and do not constitute matters central to the Debtors' reorganization. Cahill's services for the Debtors commenced on the Petition Date.

4. All services for which compensation is requested by CG&R were performed for or on behalf of the Debtors and not on behalf of any committee, creditor or other person.

5. CG&R has been retained to provide services under a general retainer at its customary hourly rates, subject to Section 330 of the Bankruptcy Code and approval of allowance of compensation and reimbursement of expenses by the Court. No party or person other than the Debtors has agreed to compensate CG&R for its services as special counsel.

6. On or about June 30, 1997, as set forth in the Affidavit of Stephen A. Greene, Esq., filed in connection with the CG&R Retention Application, CG&R received a prepetition retainer from Alliance in the amount of \$100,000, in prepayment

of fees and expenses incurred in representation of the Debtors prior to and subsequent to the filing of their chapter 11 petitions. Of the original \$100,000 provided by the retainer, \$88,925.47 has been absorbed in compensation for prepetition legal services and expenses by CG&R for the Debtors. The remaining \$11,074.53 is held by CG&R, to be applied against any other expenses incurred by CG&R as counsel for Alliance prior to the filing of the bankruptcy petitions, and to the extent that any portion remains as of the next interim fee application, is expected to be credited against postpetition fee and expense payments due from the Debtors to CG&R, as such payments are allowed by the Court.

7. The names, hourly rates, and other data concerning CG&R professionals and paraprofessionals who provided services for the Debtors during the period covered by the Application are set forth above. The hourly rates applicable to certain professionals changed during the period covered by the Application effective October 1, 1997, as shown in the cover sheet above, by reason of increasing seniority and experience. In each case, such changes in hourly rates was made generally applicable in all matters in which such professional served. CG&R charges the same hourly rates to nonbankruptcy clients for similar services.

8. No previous fee or expense application has been made by CG&R in the Debtors' cases.

9. Attached hereto in Exhibit A is a detailed statement of professional services rendered during the month of July, 1997, showing the amount of \$19,861.20 as CG&R's allowable compensation for such services.

10. Attached hereto in Exhibit B is a detailed statement of professional services rendered during the month of August, 1997, showing the amount of \$61,757.20 as CG&R's allowable compensation for such services.

11. Attached hereto in Exhibit C is a detailed statement of professional services rendered during the month of September, 1997, showing the amount in \$30,439.60 as CG&R's allowable compensation for such services.

12. Attached hereto in Exhibit D is a detailed statement of professional services rendered during the month of October, 1997, showing the amount of \$23,552.80 as CG&R's allowable compensation for such services.

SUMMARY OF SERVICES RENDERED

13. The attorneys of CG&R who have rendered professional services in this case during the Application Period are

Stephen A. Greene, Esq., Richard L. Reinhold, Esq., Laurence A. Silverman, Esq., Laurence T. Sorkin, Esq., Marc J. Korpus, Esq., Daniel Cantor, Esq., Andrew H. Rosen, Esq., Donna M. Bryan, Esq., Sanjay Wadhwa, Esq. and Steven Khadavi, Esq. Research-related services were provided by Agnelo Azulay and Barbara Brincefield and managing attorney office services were provided by Robert Cawthra. Additional services were performed by the paralegals and paraprofessionals as set forth in Exhibits A-D to this application.

14. CG&R, by and through the above-named persons, has represented and advised the Debtors on a regular basis with respect to legal matters in connection with the operation and reorganization of their businesses, including the sale of certain of the Debtors' businesses and legal services with respect to securities law compliance, general corporate matters, ongoing litigation, and other matters. CG&R has used its best efforts to avoid overlap of services with those of Willkie Farr & Gallagher, reorganization counsel to the Debtors.

SUMMARY OF SERVICES BY PROJECT

15. The services rendered by CG&R during the Application Period can be grouped into the categories set forth below. The attorneys, paralegals and paraprofessionals who rendered services relating to each category are identified, along

with the number of hours for each individual and the total compensation sought for each category, in Exhibits A-D attached hereto.

A. Corporate General

(Fees - \$111,988.80; Hours - 283.30)

16. During the Application Period, Cahill Gordon & Reindel provided general corporate law advice and representation for the Debtors, including in connection with contracts, attendance at board of directors meetings, and advice in respect of corporate governance, securities law compliance and filings.

17. A significant part of CG&R's services provided during the Application Period in this category involved the sale of the Debtors' Red Ant subsidiary, and in respect of which CG&R acted as the Debtors' corporate counsel, assisting in the design of an appropriate structure for the sale, drafting and negotiating the detailed terms of a purchase agreement and operating agreement, providing tax, antitrust, securities law, litigation analysis and corporate law advice, review of the proposed transaction with Alliance's board of directors and the creditors' committee, assistance to reorganization counsel in the preparation of court submissions and hearings, preparation of board resolutions, officers' certificates and other an-

cillary corporate documentation for the sale, representation of the Debtors at the transaction closing. In addition, Cahill attorneys advised and represented the Debtors in connection with SEC and state blue sky law compliance and filings, including preparation of a request for an SEC no-action letter in connection with asset sales, and advice with respect to retention of professionals and corporate governance issues, including the election of two independent directors (involving the creation of a compensation and indemnity package). Corporate representation was primarily provided by Stephen A. Greene, Esq. and Donna M. Bryan, Esq. Tax advice was provided by Richard L. Reinhold, Esq., antitrust advice by Lawrence T. Sorkin, Esq. and litigation analysis by Laurence A. Silverman, Esq. and Daniel Cantor, Esq.

B. General Litigation

(Fees - \$3,398.80; Hours - 9.00)

Time in this category primarily comprised representation and advice to the Debtors in connection with the Schaeffer derivative litigation, in which Alliance is a nominal defendant, and included analysis and advice concerning the effect of the pending bankruptcy and Alliance's course of action in connection with the claim, and interfacing with other parties. Representation on this matter was primarily provided by Lau-

rence A. Silverman, Esq., Marc J. Korpus, Esq. and Daniel Cantor, Esq.

D. Reorganization

(Fees - \$5,369.60; Hours - 54.10)

18. Preparation of fee and expense submissions All of the time recorded in this category was by paralegals.

F. Tax

(Fees - \$8,269.60; Hours - 26.20)

19. During the Application period, CG&R tax attorneys advised the Debtors in connection with the tax implications of a proposed warrant exchange or repurchase, including review of relevant documents and legal research. Work on this matter was primarily carried out by Richard L. Reinhold, Esq. and Andrew H. Rosen, Esq.

G. Castle (UK Operations)

(Fees - \$6,584.00; Hours - 19.00)

20. During the Application Period, CG&R gave advice and prepared documentation for a proposed sale of the Debtors' U.K. operations Work on this matter has been conducted by Stephen A. Greene, Esq. and Donna M. Bryan, Esq.

DISBURSEMENTS

21. CG&R has incurred actual, reasonable and necessary disbursements during the Application Period in the amount of \$12,123.91. This disbursement amount is broken down into categories of charges, by project, and all expenses are summarized in Exhibits A-D attached hereto.

22. For the Application Period Cahill's rate for xeroxing is \$.15 per page, its rate for outgoing telecopier transmissions is \$1.50 per page (including related toll charges) and there is no charge for incoming telecopier transmissions. Computer legal research is billed at CG&R's costs, which include the cost of computer equipment, telephone lines, support personnel and supplies (not including paper) and other related items.

VALUATION OF SERVICES

23. Attorneys and paraprofessionals of CG&R have expended a total of 391.60 hours in connection with this matter during the Application period, with fees totaling \$135,610.80. Exhibit E is a schedule summarizing the time expended by attorneys and paraprofessionals during this time period, including the minimum hourly rates of each individual.

24. The nature of the work performed by these individuals is fully set forth in Exhibits A-D attached hereto. These are CG&R's normal minimum hourly rates for work of this character. The reasonable value of the services rendered by CG&R to the Debtors during the Application Period is \$135,610.80.

25. In accordance with the factors enumerated in 11 U.S.C. § 330, the amount requested is fair and reasonable given (a) the complexity of this case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

WHEREFORE, CG&R prays that an interim allowance be made to it in the sum of \$135,610.80 as compensation for necessary professional services rendered to the Debtor during the Application Period and in the sum of \$12,123.91 for reimbursement of actual necessary costs and expenses incurred during

this period and for the Court to grant such other and further relief as this Court may deem just and proper.

DATED: December 1, 1997

Stephen A. Greene (SG-2167)
CAHILL GORDON & REINDEL
(a partnership including a
professional corporation)
80 Pine Street
New York, New York 10005
(212) 701-3000

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____)	
In re)	
)	
ALLIANCE ENTERTAINMENT CORP.,)	
et al.,	)	Chapter 11
)	
Debtors.	)	Case No. 97 B 44673
	)	(BRL)
	)	(Jointly Administered)
_____)	

AFFIDAVIT OF STEPHEN A. GREENE, ESQ. PURSUANT TO SECTION 504 OF
THE BANKRUPTCY CODE, RULE 2016 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE, AND CERTIFICATION OF COMPLIANCE WITH
LOCAL FEE AND EXPENSE GUIDELINES

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Stephen A. Greene, being duly sworn, deposes and
says:

1. I am a member of the bar of this Court and a
partner of the Applicant firm of Cahill Gordon & Reindel
("Cahill"). I make this Certification in compliance with the
Amended Guidelines for Fees and Disbursements for Professionals
in Southern District of New York Bankruptcy Cases, dated April
19, 1995 (the "Amended Local Guidelines") in support of the

First Interim Application for Allowance of Fees and Reimbursement of Expenses of Cahill Gordon & Reindel, Special Corporate, Tax, Litigation etc. Counsel to the Debtors, dated December 1, 1997 (the "First Interim Application").

2. No agreement or understanding exists between Cahill Gordon & Reindel and any person for a division of compensation or reimbursement received or to be received herein or in connection with the within cases.

3. No prior applications for interim compensation or reimbursement of expenses have been made. Cahill Gordon & Reindel has received no payment or promise of payment for the services rendered in these chapter 11 cases other than as disclosed in the application for Cahill's retention as special counsel for the Debtors and in the First Interim Application.

4. (a) I have read the First Interim Application. (b) To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Amended Local Guidelines and the guidelines promulgated by the Executive Office for the United States Trustees (the "UST Guidelines"). (c) Except to the extent that fees or disbursements are prohibited by the Amended Local Guidelines or the UST Guidelines, the fees and disbursements sought are billed at rates and in accordance with practices

customarily employed by the applicant and generally accepted by the applicant's clients. (d) In providing a reimbursable service, the applicant does not make a profit on that service, whether the service is performed by the applicant in-house or through a third party.

5. The co-chairs of the official committee of unsecured creditors and the debtor have each been provided not later than 20 days after the end of each calendar month during the period covered by the First Interim Application with a statement of fees and disbursements accrued during such month, in substantial compliance with paragraph (B)(2) of the Amended Local Guidelines, except that the first such statement, covering the partial month period from July 14, 1997 to July 31, 1997, was provided to the co-chairs of the official committee and the debtor on September 20, 1997. In certain instances, because of corrections and modifications, there are minor divergences between the fees and disbursements applied for in the accompanying First Interim Application and the statements of fees and disbursements previously provided to the debtor and the committees.

6. The co-chairs of the official committee of unsecured creditors and the debtor have each been provided with a

copy of this Application, substantially in the form in which it is filed, 10 days prior to the date of this Application.

Stephen A. Greene (SG-2167)

SWORN TO AND SUBSCRIBED
before me this ____ day
of December 1997.

Notary Public
My Commission Expires:

List of Professionals, Rates and Aggregate Hours
July, 1997

Name	Position	Rate	Aggregate Hours
Greene, Stephen A.	Partner	480	30.30
Sorkin, Laurence T.	Partner	480	0.80
Silverman, Laurence A.	Partner	480	0.50
Reinhold, Richard L.	Partner	480	1.00
Korpus, Marc J.	Senior Attorney	396	3.00
Cantor, Daniel	Associate	344	.40
Bryan, Donna M.	Associate	228	10.70
Cawthra, Robert	Managing Attorney	196	1.00
Proofreaders	Paraprofessionals	72	3.50
			51.20

July, 1997

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
07/15/97	GREENE S A	Tel.c. Chris Joyce re: Red Ant Proposal and Joe Bianco re: Apollo Proposal (.50); meeting at Willkie Farr with Trepper, Joyce, Feldman, etc. to discuss status of filings and interim funding of Red Ant (1.0).	1.50
07/15/97	GREENE S A	Attend Alliance Board of Directors Meeting re: filings and discussion of funding of Red Ant (1.30).	1.30
07/15/97	GREENE S A	Draft form of Purchase Agreement for Red Ant (2.00).	2.00
07/16/97	BRYAN D M	Mtg. w/ S. Greene re: Red Ant sale (.30); review term sheet (.20); review revised term sheet (.20); review purch. agmt. against SAG mark-up and mark (.80); ph. call w/ C.Dowden re: NY law and UCC (.20); conf. call w/ A. Narang, T. Ziebold, M. Roppel re: comments on purchase agreement (.50); review and fax comments on purch. agreement (.50); phone call w/ B. Jones re: tax comments (.40); review LLC Agreement (1.0); ph. call w/ M. Roppel re: Red Ant agreement (.20)	4.30
07/16/97	GREENE S A	Tel.c. Anil Narang re: Schedules for Red Ant (.30); conf. Donna Bryan re: Red Ant Agreements (.30); meetings at Alliance with Chris Joyce and Al Teller re: Red Ant (2.4).	3.00

July, 1997

DATE	NAME	DESCRIPTION	HOURS
07/17/97	REINHOLD R	Tel. C. w/B. Jones re: Red Ant restructure (.40); legal research re: Red Ant restructure (.60).	1.00
07/17/97	SORKIN L T	Tel call to Ms. Bryan re: proposed sale of Red Ant to Wasserstein, Perella (.20); I.L. - H-S-R issues re: acquisition from party in bankruptcy (.30); I.L. - H-S-R analysis (.30)	.80
07/17/97	BRYAN D M	Mtg. w/ S. Greene re: purchase agreement (.50); mark up & fax additional comments on purchase agreement (.50); phone call w/ M. Roppel re: open points on purchase agreement (.20); conf. call w/ working group re: Red Ant agreement (1.0); tel. c. w/ L. Sorkin re: HSR issues on proposed sale of Red Ant (.20)	2.40
07/17/97	GREENE S A	Tel.cs. w/Roppel re: Red Ant Agreement (.20); revise draft of purchase agreement for Red Ant (2.0).	2.20
07/18/97	GREENE S A	Tel.c. w/Chris Joyce re: Red Ant and Apollo proposals (1.00).	1.00
07/21/97	PRFRDR	Full read Purchase Agreement for D. 1.00 Bryan	
07/21/97	PRFRDR	Full read Purchase Agreement for D. Bryan	2.00
07/21/97	BRYAN D M	Phone calls w/ Susana Houser re: corporate documents for Red Ant Box and Holdings (.40); search files re: Red Ant share certificates (1.60)	2.00

July, 1997

DATE	NAME	DESCRIPTION	HOURS
07/22/97	BRYAN D M	Mark-up Red Ant purchase agreement to create form agreement and review draft	2.00
07/23/97	GREENE S A	Attend meeting of Unsecured Credit Comm. (1.0); tel.c. Susan Houser re: market makers for Alliance Stock (.30).	1.30
07/24/97	PRFRDR	Checked revisions on Agreement for S. Greene	.50
07/24/97	GREENE S A	Tel.c. Bianco re: Red Ant Agreement (.30); receive comments on Draft of Red Ant Agreement from C. Joyce (.10); revise Agreement (2.60).	3.00
07/25/97	GREENE S A	Review comments from Feldman re: Red Ant Agreement (.40); revise Agreement (1.60).	2.00
07/28/97	GREENE S A	Meeting at Willkie Farr with Trepper, Joyce and Feldman to discuss Red Ant and Apollo proposals (3.0); revise Red Ant Agreement (2.0).	5.00
07/29/97	GREENE S A	Meeting at Willkie Farr to review items in preparation of meeting with Creditors Committee (1.5); attend Creditors Committee Meeting (1.5).	3.00
07/30/97	GREENE S A	Tel.c. w/Joyce and Hal Kennedy re: Red Ant Agreement (.5); revise schedules to Agreement (1.5).	2.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 4

July, 1997

DATE	NAME	DESCRIPTION	HOURS
07/31/97	GREENE S A	Tel.cs. Trepper re: Red Ant Agreement (.40); tel.cs. Feldman re: Red Ant Agreement (.60); revise Schedules for Red Ant Agreement (1.50); tel.c. with Trepper and Feldman re: Red Ant sale procedures (.50).	3.00
		TOTAL FOR SERVICES	\$ 18,099.60

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 5

July, 1997

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
SAG	GREENE S A	480.00	30.30	14,544.00
LTS	SORKIN L T	480.00	.80	384.00
RR	REINHOLD R	480.00	1.00	480.00
DMB	BRYAN D M	228.00	10.70	2,439.60
PR	PRFRDR	72.00	3.50	252.00
			-----	-----
		TOTAL	46.30	\$ 18,099.60

July, 1997

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
07/15/97	SILVERMAN	Conf. w/ Cantor re: effect of automatic stay on Schaeffer litigation (.40); tel. c. Korpus, Cantor re:effect of automatic stay on Schaeffer litigation (.1)	.50
07/15/97	CANTOR D	Tel. c. w/ Wexler re: effect of automatic stay on Schaeffer litigation (.1); conf. w/Korpus re: effect of automatic stay on Schaeffer litigation (.1); conf. w. LAS re: effect of automatic stay on Schaeffer litigation (.1)	.30
07/15/97	KORPUS M J	Re: Schaeffer case: t. confs. w/ Silverman, Cantor (0.5) re: effect of automatic stay and other bankruptcy issues; prepare memo. (2.0) re: current status of Schaeffer case as a result of bankruptcy; review pleadings (0.5) in preparation of memo.	3.00
07/16/97	CANTOR D	Tel. c. w/ Wexler re: effect of automatic stay on Schaeffer litigation	.10
07/17/97	CAWTHRA R	Creation of docket and office file in In Re: Alliance Entertainment (0.5); review and processing of July 14 first day orders, petitions, etc. (0.5)	1.00
TOTAL FOR SERVICES			\$ 1,761.60

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION
PAGE 2

July, 1997

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
LS	SILVERMAN L	480.00	.50	240.00
MJK	KORPUS M J	396.00	3.00	1,188.00
DLC	CANTOR D	344.00	.40	137.60
RRC	CAWTHRA R R	196.00	1.00	196.00
			-----	-----
		TOTAL	4.90	\$ 1,761.60

Alliance Entertainment
Disbursement Summary
July, 1997

Xeroxing	151.65
Telephone Charges	2.70
Local Transportation	53.04
Rapifax	388.50
Word Processing - N.Y.	826.00
Document Management - N.Y.	28.00
TOTAL DISBURSEMENTS AND CHARGES	<hr/> \$ 1,449.89

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL

July, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Xeroxing	151.65
Telephone Charges	2.70
Local Transportation	53.04
Rapifax	388.50
Word Processing - N.Y.	826.00
Document Management - N.Y.	28.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 1,449.89

List of Professionals, Rates and Aggregate Hours
August 1997

Name	Position	Rate	Aggregate Hours
Greene, Stephen A.	Partner	480	87.50
Reinhold, Richard L.	Partner	480	4.20
Korpus, Marc J.	Senior Attorney	396	.20
Cantor, Daniel	Associate	344	1.80
Rosen, Andrew H.	Associate	296	17.50
Bryan, Donna M.	Associate	228	35.80
Wadhwa, Sanjay	Associate	228	6.70
Azulay, Agnelo	Director of Corporate Research	212	1.20
Brincefield, Barbara	Research and Legislative Attorney	196	2.00
Guilbert, Rebecca	Paralegal	96	7.50
Proofreaders	Paraprofessionals	72	11.20
			175.60

August, 1997

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
07/29/97	AZULAY A	For Greene computer research re 1st 10Q after bankruptcy filing examples.	.50
08/01/97	GREENE S A	Meeting with Chris Joyce re Red Ant.	2.00
08/04/97	GREENE S A	Attend Board Meeting at Alliance (2.5); tel.c. w/ Hal Kennedy re Red Ant (.5); meeting with Narang, Joyce, and Hal Kennedy re Red Ant (1.0).	4.00
08/05/97	GREENE S A	Tel.c. w/ Myron Trepper and Chris Joyce re Red Ant (.3); fax to Hal Kennedy re Red Ant (.2); Alliance Board Meeting re Red Ant purchase (2.0); draft and negotiate letter agreement for purchase of Red Ant by WP (5.5).	8.00
08/06/97	BRYAN D M	Review and mark-up purchase agreement re Red Ant (1.50); tel.c. w/ Green re Red Ant (.5).	2.00
08/06/97	GREENE S A	Tel.c. w/Joyce re Red Ant (1.0); tel.c. w/ Bianco re Red Ant (.5); tel.c. Bryan re Red Ant (.5).	2.00
08/07/97	REINHOLD R	Tel. w/B. Jones re Red Ant Sale (.2); conf. w/A. Rosen re Red Ant sale (.3).	.50
08/07/97	GREENE S A	Tel.c. w/Bianco re Red Ant (.3); tel.c. Joyce re Red Ant (3.7); fax to Joyce, Kennedy, Roppel, Teller, Trepper, Walker & Ziebold re Red Ant (1.0).	5.00

August, 1997

DATE	NAME	DESCRIPTION	HOURS
08/07/97	ROSEN A H	Telephone Conv. with R. Reinhold re: conversion of partnership to branch and asset disposition (.3); preliminary research re same (.7).	1.00
08/07/97	CANTOR D	Conf. w/ L. Silverman re extension in Red Ant Litigation (.1); tel.c. w/ Tracey Loomis re same (.3); tel.c. w/ Joyce re same (.1); letter to Loomis confirming extension (.3).	.80
08/08/97	ROSEN A H	Research re: proposed sale of Red Ant LLC.	2.30
08/10/97	ROSEN A H	Research re: sale of member interests in single member entity.	2.50
08/11/97	REINHOLD R	Conf. w/A. Rosen re Red Ant Sale (.4); tel.c. w/ B. Jones re Red Ant Sale (.3).	.70
08/11/97	GREENE S A	Tel.c. w/ Hal Kennedy re Red Ant (1.0); tel.c. w/ Roppel re Red Ant (1.0); tel.c. w/ Marakovitz re Red Ant (1.0); tel.c. w/ Reinhold re Red Ant (.1); revise draft of Purchase Agreement (.9).	4.00
08/11/97	ROSEN A H	Research re: sale of single member entity (1.2); Conv. w/ R. Reinhold re same (.4); Conf. call w/ B. Jones re same (.4); Conv. w/ D. Bryan re preparation of documents and proposed language (.2); review of Operating and Purchase Agreements and mark-up (2.5).	4.70

August, 1997

DATE	NAME	DESCRIPTION	HOURS
08/11/97	BRYAN D M	Phone call w/ M. Roppel re SAG comments on purchase agreement (.30); mark-up purchase agreement and fax (1.40); phone call w/ H. Kennedy re purchase agreement (.10); phone call w/ M. Hankin re purchase agreement (.20); conv. w/ A. Rosen re purchase agreement (.2).	2.20
08/12/97	REINHOLD R	Tel. Cs. w/B. Jones, A. Rosen re Red Ant Sale (.3); rev. contract re Red Ant sale (.4); draft memo (.3).	1.00
08/12/97	GREENE S A	Conf. call (deposition of Townsend Ziebold re Red Ant) (3.0); revise Red Ant agreements (7.0); conv. w/ A. Rosen re Red Ant (.5); conf. call w/ D. Bryan, Trepper, Feldman, Joyce re issues re Red Ant witness testimony, etc. (1.5).	12.00
08/12/97	ROSEN A H	Research re: pre-disposition reorg. (.80); prepare liquidation documents (1.20); Conv. w/ S. Greene and D. Bryan re liquidation documents (.30); tel.c. w/ Reinhold and B. Jones re same (.20).	2.50
08/12/97	BRYAN D M	Deposition of T. Ziebold (3.0); conf. call w/ Trepper, Feldman, C. Joyce, S. Greene re issues re Red Ant witness testimony, etc. (1.50); conf. call w/ C. Joyce, A. Felter, E. Weisman, H. Kennedy, N. Trepper, B. Maskowitz re board meetings (3.0); conf. call w/ S. Greene, C. Joyce, etc. re structure of sale, inventory issues, etc. (.20); phone call w/ M. Roppel re open issues (.20); phone call w/ A. Rosen re tax structure (.40); phone call w/ M. Roppel re agreed changes	9.00

August, 1997

DATE	NAME	DESCRIPTION	HOURS
		(.20); review revised pages on purchase agreement (.50).	
08/13/97	PRFRDR	Checked revisions on Resolution for A. Rosen.	.50
08/13/97	REINHOLD R	Tel. C. w/ A. Rosen re Red Ant sale.	.50
08/13/97	GREENE S A	Attend Bankruptcy Court Hearing re Red Ant (10.0); meeting at Willkie Farr re pre-court appearance (1.5); meeting with Messrs. Teller, Weisman and Bianco re hearing (2.0).	13.50
08/13/97	BRYAN D M	Mtg. at Willkie Farr re Red Ant (1.5); hearing in bankruptcy court re Red Ant (10.5).	12.00
08/14/97	GREENE S A	Meeting at Willkie Farr re Red Ant revised proposal.	3.50
08/15/97	GREENE S A	Tel.c. w/ Bianco re Red Ant (.5); tel.c. Joyce re Red Ant (2.0); tel.c. w/ Peck re /Red Ant (.5); tel.c. Roppel re Red Ant (2.0); conf. call with Court re Red Ant approval (1.0).	6.00
08/15/97	BIZIK M	Redact sev docts & prepare docts for SEC filing.	2.00
08/15/97	BRINCEFIEL	Assemble 10Q for client, Susana Houser.	2.00
08/16/97	PRFRDR	Checked revisions on Assignment and Assumption Agreement for D. Bryan.	.50

August, 1997

DATE	NAME	DESCRIPTION	HOURS
08/16/97	PRFRDR	Full read Assignment and Assumption Agreements for D. Bryan.	1.00
08/16/97	PRFRDR	Full read Certificates for D. Bryan.	.50
08/16/97	PRFRDR	Checked revisions on Certificates for D. Bryan.	1.00
08/16/97	PRFRDR	Full read Secretary's Certificate for D. Bryan.	.20
08/16/97	BRYAN D M	Draft officers certificates, secretary certificate, resolutions and assignment and assumption agreements re Red Ant closing (2.0).	2.00
08/17/97	PRFRDR	Checked revisions on Resolutions and Certificates for D. Bryan.	1.50
08/17/97	PRFRDR	Checked revisions on Resolutions for D. Bryan.	.50
08/17/97	PRFRDR	Made revisions on Resolutions and Certificates for D. Bryan.	1.00
08/18/97	PRFRDR	Full read UCC Forms for D. Bryan.	1.00
08/18/97	PRFRDR	Checked revisions and redlined Documents for D. Bryan.	1.00
08/18/97	GREENE S A	Tel.c. w/ Joyce re Red Ant (.3); tel.c. Kennedy re Red Ant (.6); tel.cs. Roppel re Red Ant (2.2); tel.c. Peck re Red Ant (.4); tel.c. and conf. Bryan re DV release (0.5); Board Meeting at Alliance (2.0).	6.00

August, 1997

DATE	NAME	DESCRIPTION	HOURS
08/18/97	AZULAY A	For Greene, retrieve short form merger docs examples.	.20
08/18/97	BRYAN D M	Proof resolutions, etc. and fax to C. Joyce (.20); phone call w/ M. Hankin re purchase agreement (.10); review revised purchase agreement and LLC agreement & closing docs. of Wasserstein & Perella (1.70); review form of note and WP guaranty (.50); phone call w/ C. Joyce, S. Greene re changes to document, DV release (.50); phone call w/ K. Wigness re UCC-1s (.10); phone call w/ K. Wigness re Chase release (.20); prepare UCC-3s (.80); revise closing docs per comments from Sherman & Sterling (1.0).	5.10
08/19/97	GREENE S A	Conf. with Bryan and Joyce re closing documents (2.0); Red Ant closing at Shearman & Sterling (5.5); Board Meeting at Alliance (3.0); tel.c. w/ Bob Marakovitz re Board issues (2.00); letter to David Frauman re corporate governance issues (.5).	13.00
08/19/97	BRYAN D M	Phone call w/ CT re filing certificate of merger (.10); phone call w/ S. Greene, C. Joyce re update on closing mechanics (2.0); phone call CT re process to amend (.10); revise certificate of merger and fax to CT (.40); phone calls w/ C. Wigness re UCC-3s and Chase release (.20); review draft Chase release (.20).	3.00

August, 1997

DATE	NAME	DESCRIPTION	HOURS
08/20/97	PRFRDR	Checked revisions on Letter for S. Greene.	.30
08/20/97	PRFRDR	Checked revisions on Letter for S. Greene.	.20
08/20/97	GREENE S A	Tel.c. w/ Eric Weisman and Al Teller re Red Ant restructure (1.0).	1.00
08/22/97	GREENE S A	Tel.c. w/ Eric Weisman re independent director (.5); tel.conf. with Chris Joyce re Red Ant restructuring (2.0).	2.50
08/25/97	GREENE S A	Tel.c. w/ Joyce re Creditors Meeting and Red Ant restructuring (3.0).	3.00
08/26/97	GREENE S A	Tel.c. w/ Roppel re agreement on Red Ant structure (2.0).	2.00
08/26/97	BRYAN D M	Phone calls w/ Susana Houser re Form 8A (.30); review revised Form 8-A (.20).	.50
		TOTAL FOR SERVICES	153.70

1997 ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 8

August,

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
SAG	GREENE S A	480.00	87.50	42,000.00
RR	REINHOLD R	480.00	2.70	1,296.00
DLC	CANTOR D	344.00	.80	275.20
AHR	ROSEN A H	296.00	13.00	3,848.00
DMB	BRYAN D M	228.00	35.80	8,162.40
AA	AZULAY A	212.00	.70	148.40
BOB	BRINCEFIELD B O	196.00	2.00	392.00
PR	PRFRDR	72.00	11.20	806.40
			-----	-----
		TOTAL	153.70	\$ 56,928.40

August, 1997

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
08/18/97	KORPUS M	Conf. W/d. Cantor re effect of automatic stay on Schaeffer litigation.	.20
08/18/97	CANTOR D	Tel. c. w/ Ostrager re summary judgment in the Schaeffer litigation (.1); conf. w/ Korpus re effect of automatic stay on Schaeffer litigation (.2); investigation of law re same (.2).	.50
08/19/97	CANTOR D	Letter to Joyce re telephone call w/ Ostrager (.5).	.50
		TOTAL FOR SERVICES	1.20

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION
PAGE 2

August, 1997

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
MJK	KORPUS M	396.00	.20	79.20
DLC	CANTOR D	344.00	1.00	344.00
			-----	-----
	TOTAL		1.20	\$ 423.20

August, 1997

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
08/12/97	GUILBERT R	Reviewed DIP Account timesheets for accuracy and consistency (3.70); prepared memorandums with accompanied individual timesheets re billing procedures to Cahill working group (1.80); office conference with Mr. Korpus re billing procedures and review of timesheets (.40); office conference with Managing Attorney's office re obtaining all latest materials concerning attorneys' fees from the Southern District Bankruptcy Court (.10).	6.00
08/27/97	GUILBERT R	Reviewed bill for accuracy and consistency.	1.00
08/29/97	GUILBERT R	Reviewed bill for consistency and accuracy (.30); prepared memorandums with accompanied individual timesheets re: billing procedures to attorneys (.20).	.50
		TOTAL FOR SERVICES	7.50

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 2

August, 1997

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
RG	GUILBERT R	96.00	7.50	720.00
			-----	-----
	TOTAL		7.50	\$ 720.00

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
08/28/97	REINHOLD R	Tel. w/A. Rosen re: warrant repurchase	.50
08/28/97	WADHWA S	Review of financial statements, notes to financial statements and I.L. -- Section 83 and Regs. thereunder, and caselaw for determining treatment of exercise and exchange of warrants granted in consideration for arranging financing (5.60); Conf. with A. Rosen re matter and background factual information (.40).	6.00
08/29/97	ROSEN A H	Conv. w/ B. Jones re warrant exchange (.5); review documents (1.0); research re warrant exchange (2.5); meeting w/ R. Reinhold re same (.5).	4.50
08/29/97	REINHOLD R	Conf. w/A. Rosen re warrant repurchase (.5); tel.c. w/ B. Jones re deduction for warrant repurchase (.5).	1.00
08/29/97	AZULAY A	For Reinhold locate the 1993 Preferred Stock purchase agreement with BT Entities.	.50
08/29/97	WADHWA S	Conf. with A. Rosen re: issuance of warrants (.1); investigation of law in connection therewith (.6).	.70
		TOTAL FOR SERVICES	13.20

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
RR	REINHOLD R	480.00	1.50	720.00
AHR	ROSEN A H	296.00	4.50	1,332.00
SW	WADHWA S	228.00	6.70	1,527.60
AA	AZULAY A	212.00	.50	106.00
			-----	-----
		TOTAL	13.20	\$ 3,685.60

Alliance Entertainment
Disbursement Summary
August 1997

Luncheon Conference/Overtime Meals	26.66	
Xeroxing	680.00	
Courier Service	(3.66)	cr
Lexis and Database Charges	429.62	
Local Transportation	645.92	
Postage	.32	
Telephone Charges	30.21	
Rapifax	1,605.00	
Westlaw Searches	36.62	
Word Processing - N.Y.	1,988.00	
	5,438.69	

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL

August, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Luncheon Conferences/Overtime Meals	26.66
Xeroxing	657.00
Courier Service	3.66CR
Lexis and Database Charges	232.21
Local Transportation	645.92
Postage	.32
Telephone Charges	28.35
Rapifax	1,584.00
Westlaw Searches	36.62
Word Processing	1,988.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 5,195.42

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION

August, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Telephone Charges	1.86
Rapifax	21.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 22.86

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION

August, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Xeroxing	23.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 23.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
TAX

August, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Lexis and Database Charges	197.41

TOTAL DISBURSEMENTS AND CHARGES	\$ 197.41

List of Professionals, Rates and Aggregate Hours
September 1997

Name	Position	Rate	Aggregate Hours	Total Fees
Greene, Stephen A.	Partner	480	42.20	\$20,256.00
Reinhold, Richard	Partner	480	4.00	1,920.00
Silverman, Laurence	Partner	480	1.20	576.00
Cantor, Daniel	Associate	344	1.10	378.40
Rosen, Andrew H.	Associate	296	9.00	2,664.00
Khadavi, Steven	Associate	188	7.20	1,353.60
Azulay, Agnelo	Director of Corporate Research	212	.50	106.00
Kowalsky, Joanne	Paralegal	116	9.40	1,090.40
Guilbert, Rebecca	Paralegal	96	17.70	1,699.20
Proofreaders	Paraprofessionals	72	5.50	396.00
			97.80	\$30,439.60

September, 1997

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
09/02/97	GREENE S A	Meeting at Willkie Farr re preparation for Creditors Committee meeting (2.0); meeting w/Joyce re Red Ant and Creditors meeting (1.0).	3.00
09/03/97	GREENE S A	Tel.c. w/Weisman re Creditors Committee (.5); attend Creditors Committee Meeting (2.0); conf. w/Teller re meeting (1.0).	3.50
09/04/97	GREENE S A	Meeting at Alliance w/Chris Joyce re retention of investment bank (4.0); telephonic board meeting (2.0).	6.00
09/05/97	GREENE S A	Tel.cs. w/Eric Weisman re investment bankers (.5); tel.c. w/Terry Savage re retention of investment bankers (.5).	1.00
09/08/97	SILVERMAN	Conf. w/ Greene re Bain litigation (.1); conf. w/ Cantor re Bain litigation (.1).	.20
09/08/97	GREENE S A	Review corres. w/Roppel re Red Ant revisions (1.9).	1.90
09/09/97	GREENE S A	Review revised drafts of Red Ant restructure (2.5); draft response to Auditors Committee letter (.5).	3.00
09/10/97	GREENE S A	Tel.c. w/Jim Peck re governance (.2); meeting at Alliance w/Chris Joyce re response to Creditor Letters (1.5); meeting w/Joyce re Red Ant (2.0).	3.70

September, 1997

DATE	NAME	DESCRIPTION	HOURS
09/11/97	GREENE S A	Tel.c. w/Steve Winegar (Shearman & Sterling) re Red Ant (1.0).	1.00
09/15/97	GREENE S A	Tel.cs. w/Joyce re Directors (1.0).	1.00
09/17/97	PRFRDR	Full read Letter for S. Khadavi	.50
09/17/97	PRFRDR	Full read Request for S. Khadavi	1.50
09/17/97	KHADAVI S	Meeting w/S. Greene re: no-action letter (.3); Westlaw research re: no-action letter (.3); drafting SEC no-action letter (4.0).	4.60
09/17/97	AZULAY A	For. S. Greene SEC staff release re modified SEC filings and application re modified filings to SEC examples.	.50
09/17/97	GREENE S A	Tel.c. w/Chris Joyce re Exchange Act relief (1.0).	1.00
09/18/97	KHADAVI S	Meetings with S. Greene re: no action letter (.1); drafting no-action letter (2.40).	2.50
09/18/97	GREENE S A	Tel.c. w/Joyce re Castle and Red Ant (2.0); draft SEC no action refusal (1.0).	3.00
09/22/97	GREENE S A	Tel.c. w/Joyce re Red Ant and Directors (1.0).	1.00
09/23/97	GREENE S A	Tel.c. w/Joyce re independent directors (1.0); tel.c. w/Teller and Weisman re operations (2.0).	3.00

September, 1997

DATE	NAME	DESCRIPTION	HOURS
09/24/97	GREENE S A	Meeting at Alliance w/Chris Joyce re Red Ant (3.5); corres. re independent directors (1.0); corres. Joyce, Teller, Weisman re Directors compensation. (.5).	5.00
09/25/97	KHADAVI S	Tel. c. w/C. Joyce re: no-action letter (.10).	.10
09/25/97	GREENE S A	Meeting w/Chris Joyce re search for independent directors (2.0).	2.00
09/29/97	GREENE S A	Tel.c. w/Chris Joyce re directors (0.5); conf. call w/Joyce and Teller re directors (1.0).	1.50
09/30/97	GREENE S A	Tel.conf. w/Joyce, Teller, Weisman re independent director (1.0); tel.c. w/Marakovitz re Board seat (0.5).	1.50
		TOTAL FOR SERVICES	52.00

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
SAG	GREENE S A	480.00	42.10	20,208.00
LS	SILVERMAN L	480.00	.20	96.00
AA	AZULAY A	212.00	.50	106.00
SK	KHADAVI S	188.00	7.20	1,353.60
PR	PRFRDR	72.00	2.00	144.00
			-----	-----
	TOTAL		52.00	\$ 21,907.60

September, 1997

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
09/03/97	SILVERMAN	Conf. w/ Greene re Bain litigation (.1); conf. w/ Cantor re Bain litigation (.1); review file re Bain litigation (.2); analyze docs. re Bain litigation (.4); tel. c. Reimer re Bain litigation (.2)	1.00
09/03/97	CANTOR D	Conf. w/ Silverman re pursuing Schaffer litigation (.1)	.10
09/08/97	GREENE S A	Tel.conf. w/Silverman re Bain Litigtion (.1).	.10
09/08/97	CANTOR D	Conf. w/ Silverman re Schaffer litigation (.1); tel. c. w/ Ostrager re same (.1)	.20
09/09/97	CANTOR D	Letter to Cedarbaum re automatic stay (.2)	.20
09/23/97	CANTOR D	Tel. c. w/ Tracy Loomis re Delicious Vinyl litigation (.1)	.10
09/24/97	CANTOR D	Tel. c. w/ Tracy Loomis re Delicious Vinyl litigation (.1)	.10
09/30/97	CANTOR D	tel c w/ Yosef Riemer re Schaffer litigation (.2); conf w/ Silverman re Riemer call (.1); conf w/ Greene re Riemer call (.1)	.40
		TOTAL FOR SERVICES	2.20

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION
PAGE 2

September, 1997

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
SAG	GREENE S A	480.00	.10	48.00
LS	SILVERMAN L	480.00	1.00	480.00
DLC	CANTOR D	344.00	1.10	378.40
			-----	-----
		TOTAL	2.20	\$ 906.40

September, 1997

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
09/02/97	GUILBERT R	Office conference with Ms. Kowalsky concerning sample document regarding statement of fees and disbursements for July, 1997 (.20); office conference with Mr. Korpus regarding preparation of statement of fees and disbursements to be submitted to co-chairpersons of Official Committee of Unsecured Creditors of Alliance Entertainment (.50).	.70
09/03/97	PRFRDR	Full read Memorandum for R. Guilbert	.50
09/03/97	GUILBERT R	Began preparing Statement of Fees and Disbursements for July, 1997 to be submitted to the co-chairpersons of the Official Committee of Unsecured Creditors of Alliance Entertainment.	6.00
09/04/97	PRFRDR	Checked revisions on Bill and Memorandum for P. Guilbert	.50
09/04/97	GUILBERT R	Continued preparing statement of total fees and disbursements (6.60); office conferences with Mr. Korpus regarding same (.20); conferences with Ms. O'Neil regarding mailing of final statement of total fees and disbursements to persons indicated (.20).	7.00

September, 1997

DATE	NAME	DESCRIPTION	HOURS
09/09/97	GUILBERT R	Conf. w/ P. Mayer to discuss July and August time.	.40
09/11/97	GUILBERT R	Began reviewing August bill for consistency and accuracy (2.20); prepared memorandums with accompanied individual timesheets re: billing procedures to attorneys (.20).	2.40
09/12/97	GUILBERT R	Reviewed the preparation of August bill with Ms. Kowalsky (.20); office conference with Mr. Korpus re: accuracy and consistency of bill (.10); make corrections to memos to be sent to attorneys re: accuracy and consistency (.90).	1.20
09/17/97	PRFRDR	Checked revisions on Fee Letter for J. Kowalsky	1.00
09/17/97	KOWALSKY J	Prepared August fee and disbursement submission (5.80); conf. M. Korpus re: same (.3)	6.10
09/18/97	PRFRDR	Checked revisions on Bill for J. Kowalsky	1.00
09/18/97	PRFRDR	Checked revisions on Bills for J. Kowalsky	.50
09/18/97	KOWALSKY J	Revised August fee and disbursement statement (1.4); conf. M. Korpus re: same (.1)	1.50

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 3

September, 1997

DATE	NAME	DESCRIPTION	HOURS
09/19/97	KOWALSKY J	Copied, organized and distributed fee and disbursement submission for August	1.30
09/22/97	KOWALSKY J	Prepared August fee and disbursement papers for internal billing purposes.	.50
		TOTAL FOR SERVICES	30.60

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
JK	KOWALSKY J	116.00	9.40	1,090.40
RG	GUILBERT R	96.00	17.70	1,699.20
PR	PRFRDR	72.00	3.50	252.00
			-----	-----
		TOTAL	30.60	\$ 3,041.60

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
09/02/97	REINHOLD R	Confs. w/A. Rosen re deduction on repurchase of warrants.	1.50
09/02/97	ROSEN A H	Confs. w/R. Reinhold and research re: warrant for warrant exchange (2.0); Convs. w/ B. Jones re: same (.20); review files to find terms of various warrants issued as remuneration (1.80).	4.00
09/03/97	REINHOLD R	I.L. re tax effect of warrant exchange (1.50); Confs. w/B. Jones re same (.50).	2.00
09/03/97	ROSEN A H	Research re: warrant for warrant exchange (2.50); Convs. w/ B. Jones re: same (.20); review additional files to find terms of various warrants as remuneration (1.80).	4.50
09/04/97	REINHOLD R	Tel. C. w/B. Jones re 1993 warrant restructure.	.50
09/11/97	ROSEN A H	Obtain and fax IRS pronouncements re: IRC Section 475 to B. Jones (.30); preliminarily review same (.20).	.50
		TOTAL FOR SERVICES	13.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
TAX
PAGE 2

September, 1997

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
RR	REINHOLD R	480.00	4.00	1,920.00
AHR	ROSEN A H	296.00	9.00	2,664.00
			-----	-----
		TOTAL	13.00	\$ 4,584.00

Alliance Entertainment
Disbursement Summary
September 1997

Air Freight Delivery Charge	11.75
Xeroxing	107.55
Courier Service	4.80
Telephone Charges	10.17
CG Corp. Merger Fees	1,000.50
Local Transportation	375.04
Rapifax	219.00
Westlaw Searches	530.00
Messenger Services	130.50
Word Processing - N.Y.	<u>1,223.40</u>
	3,612.71

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL

September, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Air Freight Delivery Charge	11.75
Xeroxing	40.65
Courier Service	4.80
Telephone Charges	9.24
Corporation Trust Co.	1,000.50
Local Transportation	212.04
Rapifax	207.00
Westlaw Searches	530.00
Messenger Services	120.00
Word Processing - N.Y.	210.00
Document Management - N.Y.	70.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 2,415.98

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION

September, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Telephone Charges	.93
Rapifax	12.00
Messenger Services	10.50
Document Management - N.Y.	56.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 79.43

ALLIANCE ENTERTAINMENT CORP. (DIP)
DIP FINANCING

September, 1977

DISBURSEMENTS AND CHARGES	AMOUNT
Local Transportation	163.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 163.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION

September, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Xeroxing	66.60
Exhibit Tabs	5.40
Word Processing - N.Y.	854.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 926.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
TAX

September, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Xeroxing	.30
Document Management - N.Y.	28.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 28.30

List of Professionals, Rates and Aggregate Hours
October 1997

Name	Position	Rate	Aggregate Hours	Total Fees
Greene, Stephen A.	Partner	496	39.60	\$19,641.60
Silverman, Laurence A.	Partner	496	.40	198.40
Cantor, Daniel	Associate	364	.30	109.20
Bryan, Donna M.	Associate	264	5.10	1,346.40
Khadavi, Steven	Associate	212	1.30	275.60
Azulay, Agnelo	Director of Corporate Research	232	.30	69.60
Guilbert, Rebecca	Paralegal	104	14.00	1,456.00
Proofreaders	Paraprofessionals	76	6.00	456.00
			67.00	\$23,552.80

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
10/01/97	GREENE S A	Tel.c. w/Joyce re independent director (1.0); meeting with McLaughlin re directorship (2.0).	3.00
10/06/97	BRYAN D M	Phone call w/M. Lewis re no action letter	.10
10/08/97	GREENE S A	Tel.c. w/Peck re director (1.2); tel.c. w/Feldman re director (0.2); tel.c. w/Weisman re business plan (1.0)	1.40
10/09/97	KHADAVI S	Tel.c. w/C. Joyce re: SEC reporting requirements (.10).	.10
10/10/97	KHADAVI S	Conf. call w/C. Joyce and M. Lewis re: SEC reporting requirements (.20); reviewing SEC non-action letter (.20).	.40
10/10/97	GREENE S A	Corres. w/Peck, Frauman, Bloom re independent director (1.0); tel.c. w/Joyce re director (0.50); tel.c. w/Feldman re compensation of directors (0.5); tel.c. w/Sakellariadis re advisors (1.0).	3.00
10/13/97	KHADAVI S	Tel.c. w/M. Lewis re: Trustee's Report (.10).	.10

DATE	NAME	DESCRIPTION	HOURS
10/13/97	AZULAY A	Lexis research re no action letter request on financial filings w/the SEC during Bankruptcy.	.30
10/13/97	GREENE S A	Tel.c. w/Bloom re directors (0.2); tel.c. w/Joyce re directors (0.5); draft correspondence to Board (1.0).	1.70
10/14/97	GREENE S A	Tel.c. w/Weisman re business plan (0.5); tel.c. w/Terry Savage re directorship (0.5); Board Meeting at Alliance (3.0).	4.00
10/17/97	GREENE S A	Meeting w/Chris Joyce re corp. governance matters.	2.00
10/22/97	GREENE S A	Meeting at Alliance w/Joyce re Red Ant and Castle (3.0); meeting at Willkie Farr w/Feldman re governance issues (3.0).	6.00
10/24/97	KHADAVI S	Tel.c. w/C. Joyce re: 34 Act reporting requirements (.10); drafting SEC no-action letter (.40).	.50
10/24/97	GREENE S A	Tel.c. w/Marakovitz re directors (0.5); tel.c. w/Joyce re governance (2.0).	2.50
10/28/97	GREENE S A	Tel.c. w/Joyce re director (0.5); tel.c. w/Jim Peck re director (.5).	1.00
10/29/97	GREENE S A	Tel.c. w/Chris Joyce re governance (0.5); tel.c. w/Peck re director (0.5); conf. call w/Chris Joyce re timetable (1.0).	2.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 3

OCTOBER, 1997

DATE	NAME	DESCRIPTION	HOURS
10/30/97	KHADAVI S	Tel.c. w/M. Lewis re filing of no action letter (.20).	.20
10/30/97	GREENE S A	Review draft of Soloman circular (2.0).	2.00
10/31/97	GREENE S A	Tel.c. w/Chris Joyce re business plan (1.0).	1.00
		TOTAL FOR SERVICES	31.30

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
SAG	GREENE S A	496.00	29.60	14,681.60
DMB	BRYAN D M	264.00	.10	26.40
AA	AZULAY A	232.00	.30	69.60
SK	KHADAVI S	212.00	1.30	275.60
			-----	-----
	TOTAL		31.30	\$ 15,053.20

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
10/16/97	CANTOR D	Review letter from Ostrager re Schaffer litigation and leave voicemail for SAG, LAS re same (.1); conf w/SAG re Ostrager letter (.1); conf w/LAS re Ostrager letter (.1)	.30
10/16/97	SILVERMAN	Conf. w/Cantor re case status, budget (.1); tel.c. w/Greene re budget (.1); review complaint (.2)	.40
		TOTAL FOR SERVICES	.70

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION
PAGE 2

OCTOBER, 1997

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
LS	SILVERMAN L		496.00	.40 198.40
DLC	CANTOR D		364.00	.30 109.20

		TOTAL		.70 \$ 307.60

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
10/07/97	GUILBERT R	Began reviewing September bill for consistency and accuracy (1.40); prepared memorandums with accompanied timesheets re: billing procedures to attorneys (.60).	2.00
10/09/97	PRFRDR	Checked revisions on bill for R. Guilbert	.30
10/09/97	GUILBERT R	Began preparing September fee and disbursement submission.	2.00
10/13/97	GUILBERT R	Reviewed memorandums from attorneys and revised September fee and disbursement submission (1.50); began preparing Statement of Fees and Disbursements to be submitted to co-chairpersons of Official Committee of Unsecured Creditors of Alliance Entertainment (.10).	2.00
10/14/97	PRFRDR	Full read bill for R. Guilbert	.50
10/14/97	GUILBERT R	Continued preparing September fee and disbursement submission.	.50
10/15/97	PRFRDR	Revisions to bill for R. Guilbert	.50
10/15/97	PRFRDR	Checked revisions on Statement of Fees and Disbursements for R. Guilbert	.50

DATE	NAME	DESCRIPTION	HOURS
10/15/97	GUILBERT R	Reviewed corrections on September fee and disbursement submission (1.20); reviewed correspondence file re disbursement amount under Corporation Trust Co. (.20); office conference with Mr. Korpus re same (.10).	1.50
10/16/97	PRFRDR	Checked revisions on bill for R. Guilbert	.20
10/16/97	GUILBERT R	Continued reviewing September fee and disbursement submission for accuracy and consistency (3.30); office conference with Mr. Korpus concerning same (.10); revised September fee and disbursement submission (.30); copied, organized and distributed fee and disbursement submission (1.80).	5.50
10/20/97	GUILBERT R	Prepared September fee and disbursement papers for internal billing purposes.	.50
		TOTAL FOR SERVICES	16.00

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
RG	GUILBERT R	104.00	14.00	1,456.00
PR	PRFRDR	76.00	2.00	152.00
			-----	-----
	TOTAL		16.00	\$ 1,608.00

FOR PROFESSIONAL SERVICES RENDERED

DATE	NAME	DESCRIPTION	HOURS
10/08/97	GREENE S A	Tel.c. w/Chris Joyce re Castle (1.0)	1.00
10/09/97	GREENE S A	Tel.c. w/Weisman re Castle and independent director (0.5); tel.c. w/Bryan re Castle sale contract (1.0).	1.50
10/14/97	GREENE S A	Tel.c. w/Joyce re Castle (0.5).	0.50
10/16/97	GREENE S A	Meeting w/Chris Joyce re Castle and Director (2.0).	2.00
10/17/97	GREENE S A	Review draft of Purchase Agreement.	2.00
10/19/97	PRFRDR	Checked revisions on Form of Share Purchase Agreement for D. Bryan	4.00
10/19/97	BRYAN D M	Prepare draft Castle agreement	3.00
10/20/97	BRYAN D M	Review Castle draft agreement	1.00
10/20/97	GREENE S A	Tel.c. w/Chris Joyce re Castle and governance matters.	2.00
10/27/97	BRYAN D M	Revise Castle agreement to reflect AEC as seller, etc.	1.00
10/30/97	GREENE S A	Conf. w/Joyce re Castle sale (1.0).	1.00
		TOTAL FOR SERVICES	19.00

----- TIME RECAP -----

INIT	NAME	RATE	HOURS	AMOUNT
SAG	GREENE S A	496.00	10.00	4,960.00
DMB	BRYAN D M	264.00	5.00	1,320.00
PR	PRFRDR	76.00	4.00	304.00
			-----	-----
		TOTAL	19.00	\$ 6,584.00

Alliance Entertainment
Disbursement Summary
October 1997

Data Bank Research	.60
PACER (DISB1884) INV DT 10/10	
Air Freight Delivery Charge	11.25
Xeroxing	136.05
Telephone Charges	19.08
Local Transportation	188.44
Rapidfax	138.00
Word Processing - N.Y.	1,065.20
Messenger Services	<u>64.00</u>
	1,622.62

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL

OCTOBER, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Data Bank Research	.60
PACER (DISB1884) INV DT 10/10	
Air Freight Delivery Charge	11.25
Xeroxing	65.10
Telephone Charges	19.08
Local Transportation	188.44
Rapifax	135.00
Word Processing - N.Y.	602.00
Document Management - N.Y.	126.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 1,147.47

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION

OCTOBER, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Xeroxing	1.50
Rapifax	3.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 4.50

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION

OCTOBER, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Xeroxing	41.25
Exhibit Tabs	1.20
Messenger Services	64.00
Word Processing - N.Y.	336.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 442.45

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE

OCTOBER, 1997

DISBURSEMENTS AND CHARGES	AMOUNT
Xeroxing	28.20

TOTAL DISBURSEMENTS AND CHARGES	\$ 28.20

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re)
)
)
ALLIANCE ENTERTAINMENT CORP.,)
et al.,) Chapter 11
)
) Case No. 97 B 44673
Debtors.) (BRL)
)
) (Jointly Administered)
_____)

SECOND INTERIM APPLICATION OF CAHILL GORDON
& REINDEL, SPECIAL COUNSEL TO THE DEBTORS,
FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES

Name of Applicant: Cahill Gordon & Reindel

Role in the Case: Special Counsel to the Debtors

Fees Previously Requested: \$135,610.80

Fees Previously Awarded: \$108,488.64

Expenses Previously Requested: \$12,123.91

Expenses Previously Awarded: \$12,123.91

Retainer Paid: Net \$11,074.53

Current Application

Period for which compensation and
reimbursement is sought: November 1, 1997 to January 31, 1998

Interim Fee Requested: \$88,334.40

Expenses Requested: \$8,478.32

CAHILL GORDON & REINDEL
November 1, 1997 - January 31, 1998

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Stephen A. Greene, Esq., Partner	Joined firm as associate in 1965; became partner in 1972; Member New York Bar since 1965; 32 years experience specializing in corporate and securities matters	\$496.00	105.00	52,080.00
Richard L. Reinhold, Esq., Partner	Joined firm as counsel in 1985; became partner in 1985; Member New York Bar for 20 years; prior experience as an Attorney-Advisor of Tax Policy, U.S. Department of Treasury (1982-1984); expertise in tax matters	496.00	4.60	2,281.60
Marc J. Korpus, Esq., Senior Attorney	Joined firm as law clerk in 1981; became associate in 1982; became senior attorney in 1990; Member New York Bar since 1985; 12 years experience specializing in bankruptcy matters	416.00	.30	124.80
Daniel Cantor, Esq., Associate	Joined firm as associate in 1989; Member New York Bar since 1990; expertise in litigation matters	364.00	25.40	9,245.60

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Andrew H. Rosen, Esq., Associate	Joined firm as clerk/associate in 1996; admitted in California only since December 1992; 5 years prior experience in LL.M in tax; expertise in federal tax matters	364.00	15.60	5,678.40
Donna M. Bryan, Esq., Associate	Joined firm as associate in 1994; Member New York Bar since December 1995; expertise in corporate matters	264.00	7.00	1,848.00
Sanjay Wadhwa, Esq., Associate	Joined firm as law clerk in 1996; became associate in 1997; Member New York Bar since July 1997; 1 year prior experience in LL.M in tax; expertise in tax matters	264.00	12.00	3,168.00
Steven Khadavi, Esq., Associate	Joined firm as law clerk in 1995; became associate in 1996; Member New York Bar 8 months; expertise in corporate matters	212.00	1.80	381.60
Barbara Brincefield, Attorney	Research and legislative attorney, 20 years	208.00	.50	104.00
Nicholas J. Marcantonio, Deputy Managing Attorney	Deputy Managing Attorney, 10 years	168.00	.50	84.00
Helen Murphy, Paraprofessional	Paralegal, 2 years	156.00	3.50	546.00
Rebecca Guilbert, Paraprofessional	Paralegal, 4 years	104.00	104.00	10,816.00
Abdul Ahmad, Paraprofessional	Paralegal, 22 years	92.00	.50	46.00

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Michael Bizik, Paraprofessional	Paralegal, 10 years	76.00	1.00	76.00
Proofreaders	Paraprofessionals	76.00	24.40	1,854.40
Grand Total			306.10	88,334.40
Blended Rate		\$288.58/hour		

Pursuant to 11 U.S.C. §§ 330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure and the Order dated August 13, 1997 Establishing Administrative Procedures in the Debtors' Chapter 11 Cases (the "Administrative Order"), the law firm of Cahill Gordon & Reindel ("CG&R") hereby moves this Court for an interim order awarding its reasonable compensation with respect to the above-captioned debtors and debtors in possession (the "Debtors") for professional legal services rendered as special counsel to the Debtors in the amount of \$88,334.40 together with reimbursement for actual and necessary expenses incurred in the amount of \$8,478.32 for the period November 1, 1997 through and including January 31, 1998 (the "Application Period"). In support of its application, CG&R respectfully represents as follows:

Background

1. On July 14, 1997 (the "Petition Date"), Alliance Entertainment Corp. ("Alliance") and fourteen of its direct and indirect subsidiaries (collectively with the Alliance, the "Debtors"), filed voluntary chapter 11 petitions in this Court. The Debtors have continued as debtors in possession under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors' chapter 11 cases have been consolidated for procedural purposes only.

2. Pursuant to an Order entered by this Court on the Petition Date, CG&R was employed pursuant to Sections 327(e), 328(a) and 1107(b) of the Bankruptcy Code under a general retainer to serve as special corporate, tax, litigation, and ERISA counsel to the Debtors, as debtors and debtors in possession to perform the services set forth in paragraph 9 of the Application of Debtors for Order Authorizing Debtors to Employ and Retain Cahill Gordon & Reindel as Special Corporate, Tax, ERISA and Litigation Counsel, dated the Petition Date (the "Retention Application").

3. Under paragraph 9 of the Retention Application, CG&R was expected to be employed to provide services to the Debtors in connection with federal and state securities law matters, tax and pension matters, corporate governance and as-

sistance in debtor-in-possession financing, other postpetition transactions, including asset sales, financing transactions in connection with a reorganization plan, and such litigation matters as are designated by the Debtors and do not constitute matters central to the Debtors' reorganization. Cahill's services for the Debtors commenced on the Petition Date.

4. All services for which compensation is requested by CG&R were performed for or on behalf of the Debtors and not on behalf of any committee, creditor or other person.

5. CG&R has been retained to provide services under a general retainer at its customary hourly rates, subject to Section 330 of the Bankruptcy Code and approval of allowance of compensation and reimbursement of expenses by the Court. No party or person other than the Debtors has agreed to compensate CG&R for its services as special counsel.

6. On or about June 30, 1997, as set forth in the Affidavit of Stephen A. Greene, Esq., filed in connection with the CG&R Retention Application, CG&R received a prepetition retainer from Alliance in the amount of \$100,000, in prepayment of fees and expenses incurred in representation of the Debtors prior to and subsequent to the filing of their chapter 11 petitions. Of the original \$100,000 provided by the retainer, \$88,925.47 has been absorbed in compensation for prepetition

legal services and expenses by CG&R for the Debtors. The remaining \$11,074.53 is held by CG&R, will be applied against fees and expenses incurred by CG&R as counsel for Alliance prior to the filing of the bankruptcy petitions, upon allowance by the Court. The net sum of \$11,074.53 accordingly will be credited against postpetition fee and expense payments due from the Debtors to CG&R pursuant to this Application, as allowed by the Court, and CG&R respectfully requests, therefore, that of the sums allowed in its favor pursuant to this application, \$11,074.53 should be paid from the aforesaid retainer.

7. The names, hourly rates, and other data concerning CG&R professionals and paraprofessionals who provided services for the Debtors during the period covered by the Application are set forth above. CG&R charges the same hourly rates to nonbankruptcy clients for similar services.

8. No previous fee or expense application has been made by CG&R in the Debtors' cases with respect to the legal services provided during the Application Period.

9. Attached hereto in Exhibit A is a detailed statement of professional services rendered during the month of November, 1997, showing the amount of \$25,539.20 as CG&R's allowable compensation for such services.

10. Attached hereto in Exhibit B is a detailed statement of professional services rendered during the month of December, 1997, showing the amount of \$45,463.60 as CG&R's allowable compensation for such services.

11. Attached hereto in Exhibit C is a detailed statement of professional services rendered during the month of January, 1998 showing the amount in \$17,331.60 as CG&R's allowable compensation for such services.

SUMMARY OF SERVICES RENDERED

12. The attorneys of CG&R who have rendered professional services in this case during the Application Period are Stephen A. Greene, Esq., Richard L. Reinhold, Esq., Marc J. Korpus, Esq., Daniel Cantor, Esq., Andrew H. Rosen, Esq., Donna M. Bryan, Esq., Sanjay Wadhwa, Esq. and Steven Khadavi, Esq. Research-related services were provided by Barbara Brincefield and managing attorney office services were provided by Nicholas J. Marcantonio. Additional services were performed by the paralegals and paraprofessionals as set forth in Exhibits A-D to this application.

13. CG&R, by and through the above-named persons, has represented and advised the Debtors with respect to legal matters in connection with the operation and reorganization of

their businesses, including the sale of certain of the Debtors' businesses and legal services with respect to securities law compliance, general corporate matters, ongoing litigation, and other matters. CG&R has used its best efforts to avoid overlap of services with those of Willkie Farr & Gallagher, reorganization counsel to the Debtors.

SUMMARY OF SERVICES BY PROJECT

14. The services rendered by CG&R during the Application Period can be grouped into the categories set forth below. The attorneys, paralegals and paraprofessionals who rendered services relating to each category are identified, along with the number of hours for each individual and the total compensation sought for each category, in Exhibits A-D attached hereto.

A. Corporate General

(Fees - \$46,689.60; Hours - 96.30)

15. During the Application Period, Cahill Gordon & Reindel provided general corporate law advice and representation for the Debtors, including in connection with SEC and state blue sky law compliance and filings (including a request for an SEC no-action letter in connection with asset sales), advice with respect to retention of professionals and corporate

governance issues, including the election of two independent directors (involving the creation of a compensation and indemnity package), retention of financial advisors and nonbankruptcy-law legal issues related to executory contracts. Corporate representation was primarily provided by Stephen A. Greene, Esq. and Steven Khadavi, Esq.

B. General Litigation

(Fees - \$9,370.40; Hours - 25.70)

Time in this category primarily comprised representation and advice to the Debtors in connection with the CMC arbitration, including (i) claims of the estate for up to \$2 million, which resulted in a settlement, and (ii) legal advice related to the Bain/Schaeffer litigation representation in this matter. Work on this matter was primarily carried out by Daniel Cantor, Esq. and Marc J. Korpus, Esq.

C. Reorganization

(Fees -\$13,605.20; Hours -135.20)

16. Preparation of fee and expense submissions, including CG&R's first interim fee application, and preparation of CG&R's first interim fee application for electronic filing. All of the time recorded in this category was by paralegals.

D. Tax

(Fees - \$11,128.00; Hours - 32.20)

17. During the Application Period, CG&R tax attorneys advised the Debtors in connection with the tax implications of a proposed warrant exchange or repurchase, including review of relevant documents and legal research. Tax advice and representation including miscellaneous phone conversations with Alliance, research and drafting of memoranda addressing: (i) deduction for worthless securities regarding certain affiliates; and (ii) deductibility of certain fees and expenses by a debtor-in-possession. Work on this matter was primarily carried out by Richard L. Reinhold, Esq., Andrew H. Rosen, Esq. and Sanjay Wadhwa, Esq.

E. Castle (UK Operations)

(Fees - \$7,605.20; Hours - 19.20)

18. During the Application Period, CG&R gave advice and prepared documentation with respect to a proposed sale of the Debtors' U.K. operations. Work on this matter has been conducted by Stephen A. Greene, Esq. and Donna M. Bryan, Esq.

F. DIP Financing

(Fees - \$248.00; Hours - .50)

19. During the Application period, CG&R gave legal advice with respect to the Debtors d.i.p. loan agreement. Work on this matter has been conducted by Stephen A. Greene, Esq.

DISBURSEMENTS

20. CG&R has incurred actual, reasonable and necessary disbursements during the Application Period in the amount of \$8,478.32. This disbursement amount is broken down into categories of charges, by project, and all expenses are summarized in Exhibits A-D attached hereto.

21. For the Application Period Cahill's rate for xeroxing is \$.15 per page, its rate for outgoing telecopier transmissions is \$1.50 per page (including related toll charges) and there is no charge for incoming telecopier transmissions. Computer legal research is billed at CG&R's costs, which include the cost of computer equipment, telephone lines, support personnel and supplies (not including paper) and other related items.

VALUATION OF SERVICES

22. Attorneys and paraprofessionals of CG&R have expended a total of 306.10 hours in connection with this matter during the Application period, with fees totaling \$88,334.40. Exhibit E is a schedule summarizing the time expended by attor-

neys and paraprofessionals during this time period, including the minimum hourly rates of each individual.

23. The nature of the work performed by these individuals is fully set forth in Exhibits A-D attached hereto. These are CG&R's normal minimum hourly rates for work of this character. The reasonable value of the services rendered by CG&R to the Debtors during the Application Period is \$88,334.40.

24. In accordance with the factors enumerated in 11 U.S.C. § 330, the amount requested is fair and reasonable given (a) the complexity of this case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

WHEREFORE, CG&R prays that an interim allowance be made to it in the sum of \$88,334.40 as compensation for necessary professional services rendered to the Debtor during the Application Period and in the sum of \$8,478.32 for reimbursement of actual necessary costs and expenses incurred during

this period and for the Court to grant such other and further relief as this Court may deem just and proper.

DATED: March 2, 1998

Stephen A. Greene (SG-2167)
CAHILL GORDON & REINDEL
(a partnership including a
professional corporation)
80 Pine Street
New York, New York 10005
(212) 701-3000

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____)	
In re)	
)	
ALLIANCE ENTERTAINMENT CORP.,)	
<u>et al.</u>,	)	Chapter 11
)	
	)	Case No. 97 B 44673
Debtors.	)	(BRL)
)	
	)	(Jointly Administered)
_____)	

AFFIDAVIT OF STEPHEN A. GREENE, ESQ. PURSUANT TO SECTION 504 OF
THE BANKRUPTCY CODE, RULE 2016 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE, AND CERTIFICATION OF COMPLIANCE WITH
LOCAL FEE AND EXPENSE GUIDELINES

STATE OF NEW YORK)
) ss. :
COUNTY OF NEW YORK)

STEPHEN A. GREENE, being duly sworn, deposes and
says:

1. I am a member of the bar of this Court and a partner of the Applicant firm of Cahill Gordon & Reindel ("Cahill"). I make this Certification in compliance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, dated April 19, 1995 (the "Amended Local Guidelines") in support of

the Second Interim Application for Allowance of Fees and Reimbursement of Expenses of Cahill Gordon & Reindel, Special Corporate, Tax, Litigation etc. Counsel to the Debtors, dated March 2, 1998 (the "Second Interim Application").

2. No agreement or understanding exists between Cahill Gordon & Reindel and any person for a division of compensation or reimbursement received or to be received herein or in connection with the within cases.

3. No prior applications for interim compensation or reimbursement of expenses with respect to the period covered by the Second Interim Application have been made. Cahill Gordon & Reindel has received no payment or promise of payment for the services rendered in these chapter 11 cases other than as disclosed in the application for Cahill's retention as special counsel for the Debtors and in the Second Interim Application.

4. (a) I have read the Second Interim Application. (b) To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Amended Local Guidelines and the guidelines promulgated by the Executive Office for the United States Trustees (the "UST Guidelines"). (c) Except to the extent that fees or disbursements have been adjusted to comply with the Amended Local Guidelines or the UST Guidelines, the fees and

disbursements sought are billed at rates and in accordance with practices customarily employed by the applicant and generally accepted by the applicant's clients. (d) In providing a reimbursable service, the applicant does not make a profit on that service, whether the service is performed by the applicant in-house or through a third party.

5. The co-chairs of the official committee of unsecured creditors and the debtors have each been provided not later than 20 days after the end of each calendar month during the period covered by the Second Interim Application with a statement of fees and disbursements accrued during such month, in substantial compliance with paragraph (B)(2) of the Amended Local Guidelines. In certain instances, because of corrections and modifications, there are minor divergences between the fees and disbursements applied for in the accompanying Second Interim Application and the statements of fees and disbursements previously provided to the debtors and the committee.

6. The co-chairs of the official committee of unsecured creditors and the debtor have each been provided with a copy of this Application, substantially in the form in which it is filed, 10 days prior to the date of this Application.

Stephen A. Greene (SG-2167)

SWORN TO AND SUBSCRIBED
before me this ____ day
of _____ 1998.

Notary Public
My Commission Expires:

List of Professionals, Rates and Aggregate Hours
November 1997

<u>Name</u>	<u>Position</u>	<u>Rate</u>	<u>Aggregate Hours</u>	<u>Total Fees</u>
Greene, Stephen A.	Partner	496	37.00	\$18,352.00
Cantor, Daniel	Associate	364	.30	109.20
Bryan, Donna M.	Associate	264	.30	79.20
Khadavi, Steven	Associate	212	.20	42.40
Brincefield, Barbara	Research and Legislative Attorney	208	.50	104.00
Guilbert, Rebecca	Paralegal	104	56.90	5,917.60
Bizik, Michael	Paralegal	76	1.00	76.00
Proofreaders	Paraprofessionals	76	<u>11.30</u>	<u>858.80</u>
			107.50	\$25,539.20

November, 1997

4 FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
11/03/97	GREENE S A	Tel. c. w/Chris Joyce re: business plan (0.5); review drafts of business plan (2.0).	2.50
11/04/97	BISIK M	Prep. of no action letter request filed with SEC at request of Chris Joyce.	1.00
11/04/97	BRINCEFIEL	SEC no-action letter request filing for S. Khadavi and C. Joyce.	.50
11/05/97	KHADAVI S	Tel. cs. w/M. Lewis re: filing of 10-Q.	.20
11/05/97	GREENE S A	Conf. at 270 Park Avenue re: meeting with Bank Group.	1.50
11/06/97	GREENE S A	Meeting with Chris Joyce re: Castle and Concord.	2.00
11/07/97	GREENE S A	Tel. c. w/Weisman re: corporate governance matters.	2.00
11/11/97	GREENE S A	Preparation for review of business plan for Board Meeting.	5.00
11/12/97	GREENE S A	Board Meeting at Alliance in Coral Springs (5.0); meeting w/Weisman and Teller re: business plan (2.0) meeting w/Joyce re: business plan and corporation structure matters (3.0).	10.00
11/17/97	GREENE S A	Tel. c. w/Bob Warakovitz re: 1.00 governance (1.0).	1.00

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
11/20/97	GREENE S A	Meeting w/Weisman re: corporate govern- ance.	3.00
11/21/97	GREENE S A	Meetings at Willkie Farr w/Matt Feldman and Myron Trepper re: business plan and corporation plans.	5.00
11/25/97	GREENE S A	Tel. c. w/Weisman re: DIP plan.	1.00
11/26/97	GREENE S A	Tel. c. w/Joyce re: retention of in- vestment banker (2.0); tel. cs. w/Feldman re: retention of investment banker (1.0).	3.00
		TOTAL FOR SERVICES	37.70

6

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE S A	496.00	36.00	17,856.00
SK	KHADAVI S	212.00	.20	42.40
BOB	BRINCEFIELD	208.00	.50	104.00
MB	BIZIK M	76.00	1.00	76.00
			<u>37.70</u>	<u>\$ 18,078.40</u>
		TOTAL		

7

8 FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
11/07/97	CANTOR D	Re Bain litigation tel. c. w/ Judge Cedarbaum's chambers rescheduling error (.1); conf. w/ S. Greene re: rejecting offer by Ostrager and Wexler to serve as plaintiffs counsel vs. Bain (.1); tel. c. w/ Ostrager re: same (.1)	.30
		TOTAL FOR SERVICES	.30

9

10

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
DLC	CANTOR D	364.00	<u>.30</u>	<u>109.20</u>
	TOTAL		.30	\$ 109.20

11

November, 1997

12 FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
11/05/97	GUILBERT R	T. confs. w/ attys re: fee appl. (.30); conf. w/ Korpus re: deadline for interim fee appl. (.10); T. conf. w/ Weiss re: deadline (.10).	.50
11/06/97	GUILBERT R	Tel. c. w/ Weiss re: deadline (.10); tel. c. w/ Meyers re: obtaining guidelines, fee appl., order (.20); confs. w/ Korpus re: deadline and preparation of same (1.0).	1.30
11/07/97	GUILBERT R	Compiled documents for Managing Attorneys' Office (.30); tel. c. with Accounting Dept. re: overtime/daytime meal expense vouchers (.10); tel. c. with Billing Dept. re: preparation of interim fee appl. (.10).	.50
11/10/97	GUILBERT R	Prepared and distributed memos to attorneys/paraprofessionals re: background information (3.60); tel. conf. w/ Acct. Dept. re: additional overtime/daytime meal expense vouchers (.10); prepared memos to attorneys re: overtime/daytime meal vouchers (1.20); prepared documents re: interim fee appl. (1.40).	6.30
11/11/97	PRFRDR	Check revisions on Int. fee Application for R. Gilbert	1.00
11/11/97	GUILBERT R	Reviewed October fee and disbursement submission (1.20); prepared total	2.10

November, 1997

DATE	NAME	DESCRIPTION	HOURS
		fees and disbursement summaries (.60); prepared memos re: timesheet accuracy and consistency (.30).	
11/11/97	PRFRDR	Full read Application for R. Guilbert	.40
11/12/97	GUILBERT R	Compiled attorneys' hours and billing rates re: interim fee appl.	2.00
11/13/97	PRFRDR	Checked revisions for professional services rendered for R. Guilbert	.50
11/13/97	PRFRDR	Checked revisions on Application for R. Guilbert	.50
11/13/97	PRFRDR	Checked revisions on Application for R. Guilbert	.50
11/13/97	PRFRDR	Checked revisions on Application for R. Guilbert	.50
11/13/97	PRFRDR	Checked revisions on Court Application for R. Guilbert	.50
11/13/97	PRFRDR	Checked revisions on Application for R. Guilbert	.50
11/13/97	GUILBERT R	Reviewed and revised October fee and disbursement submission (1.0); prepared cumulative time summary for interim fee appl. (3.20); compiled and prepared attorneys/ paraprofessionals backgrounds (2.0); prepared total fees and hours per matter appl. (1.50); revised statement of fees and	8.00

DATE	NAME	DESCRIPTION	HOURS
		disbursement (.30).	
11/14/97	PRFRDR	Checked revisions on Application for R. Guilbert	.30
11/14/97	PRFRDR	Checked revisions on Application for R. Guilbert	1.50
11/14/97	PRFRDR	Checked revisions on Court Application for R. Guilbert	.50
11/14/97	PRFRDR	Checked revisions on Compensations and Reimbursement of Expenses for R. Guilbert	.50
11/14/97	PRFRDR	Revised interim fee appl. (5.50); revised October fee and disbursement submission (.60).	6.10
11/17/97	PRFRDR	Checked revisions on Application for R. Guilbert	1.00
11/17/97	GUILBERT R	Reviewed and revised interim fee appl. (2.30); conf. w/ Billing Dept. re: accuracy of cumulative time summary (.10); conf. w/ Korpus re: interim fee appl. (.10); compiled documents for Korpus re: interim fee appl. (1.90).	4.40
11/18/97	PRFRDR	Checked revisions on Application for R. Guilbert.	.20
11/18/97	PRFRDR	Check revisions on Interim Fee Application for R. Guilbert.	.20

November, 1997

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
11/18/97	PRFRDR	Checked revisions on Interim Fee Application for R. Guilbert.	1.50
11/18/97	GUILBERT R	Conf w/ Korpus re: revisions on interim fee appl. (.50); reviewed and revised interim fee appl. (3.70); conf w/ Meyers re: CG&R Retention Order (.10); revised statement of fees and disbursements (.20); prepared sets for October fee and disbursement submission (.50); conf. w/ Korpus re: time and disbursements for the month of August (.10).	5.10
11/19/97	PRFRDR	Checked revisions on Application for R. Guilbert.	.20
11/19/97	GUILBERT R	Conf w/ Korpus re: time and disbursement for the month of August (.20); conf. with Billing dept re: August fees and disbursements (.80); reviewed and revised interim fee appl. (2.90); revised October statement of fees and disbursements (.30).	4.20
11/20/97	PRFRDR	Checked revisions on First Interim Fee Application for R. Guilbert.	1.00
11/20/97	GUILBERT R	Reviewed and revised interim fee appl. (5.50); revised, reviewed, organized, and distributed interim fee appl. and October fee and disbursement submission (2.90).	8.40
11/21/97	GUILBERT R	Prepared October fee and disbursement	.50

November, 1997

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		papers for internal billing purposes.	
11/25/97	GUILBERT R	Conf. w/ Korpus re: interim fee appl. and service (.20); conf. w/ Managing Attorney's office re: service list and date of service (.20); conf. w/ Billing dept. re: monthly submission of fees and disbursements (.10).	.50
11/26/97	GUILBERT R	Conf. w/ Korpus re: service list, revising exhibits and the interim fee appl. (.20); conf. w/ Billing Dept. re: same (.20); reviewed and revised interim fee appl and exhibits (3.90); prepared and organized exhibits and interim fee appl. for distribution (2.50); continued preparing service list (.20).	7.00
		TOTAL FOR SERVICES	68.20

14

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
RG	GUILBERT R	104.00	56.90	5,917.60
RF	PRFRDR	76.00	11.30	858.80
	TOTAL		68.20	\$ 6,776.40

15

16 FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
11/12/97	BRYAN D M	Prepare rider re: release of DIP security as closing condition.	.30
11/17/97	GREENE S A	Tel. c. w/Joyce re: Castle sale.	1.00
		TOTAL FOR SERVICES	1.30

17

18

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
DMB	BRYAN D M	264.00	.30	79.20
SAG	GREENE S A	496.00	1.00	496.00
	TOTAL		1.30	\$ 575.20

19

20
21
22

Alliance Entertainment
Disbursement Summary
November 1997

Travel-Out-Of-Town (T&E)	964.00
Air Freight Delivery Charge	9.00
Xeroxing	579.30
Lexis and Database Charges	429.62
Local Transportation	206.44
Postage	.55
Telephone Charges	46.35
Rapidfax	312.00
Messenger Services	32.00
Word Processing	<u>1,594.30</u>
	4,173.56

23

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Travel-Out-Of-Town (T&E)	964.00
Air Freight Delivery Charge	9.00
Xeroxing	151.50
Lexis and Database Charges	232.21
Local Transportation	95.16
Postage	.55
Telephone Charges	46.35
Rapifax	238.50
Messenger Services	16.00
Word Processing - N.Y.	196.00
TOTAL DISBURSEMENTS AND CHARGES	\$ 1,949.27

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION

November, 1997

<u>DISBURSEMENT AND CHARGES</u>	<u>AMOUNT</u>
Local Transportation	<u>33.56</u>
TOTAL DISBURSEMENTS AND CHARGES	\$ 33.56

25

<u>DISBURSEMENT AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	427.80
Local Transportation	77.72
Exhibit Tabs	12.30
Word Processing - N.Y.	1,330.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$ 1,847.82

ALLIANCE ENTERTAINMENT CORP. (DIP)
TAX

November, 1997

<u>DISBURSEMENT AND CHARGES</u>	<u>AMOUNT</u>
Lexix and Database Charges	<u>197.41</u>
TOTAL DISBURSEMENTS AND CHARGES	\$ 197.41

27

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE

November, 1997

<u>DISBURSEMENT AND CHARGES</u>	<u>AMOUNT</u>
Rapifax	73.50
Messenger Services	16.00
Word Processing - N.Y.	56.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$ 145.50

28

List of Professionals, Rates and Aggregate Hours
December 1997

<u>Name</u>	<u>Position</u>	<u>Rate</u>	<u>Aggregate Hours</u>	<u>Total Fees</u>
Greene, Stephen A.	Partner	496	45.00	\$22,320.00
Reinhold, Richard L.	Partner	496	4.60	2,281.60
Korpus, Marc J.	Senior Attorney	416	.30	124.80
Rosen, Andrew H.	Associate	364	15.60	5,678.40
Cantor, Daniel	Associate	364	18.90	6,879.60
Bryan, Donna M.	Associate	264	5.70	1,504.80
Wadhwa, Sanjay	Associate	264	12.00	3,168.00
Guilbert, Rebecca	Paralegal	104	24.00	2,496.00
Marcantonio, Nicholas	Deputy Managing Attorney	168	.50	84.00
Ahmad, Abdul	Paralegal	92	.50	46.00
Murphy, Helen	Paralegal	156	3.50	546.00
Proofreaders	Paraprofessionals	76	<u>4.40</u>	<u>334.40</u>
			135.00	\$45,463.60

December, 1997

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
12/01/97	GREEN	Tel. cs. w/Weisman re: business plan and compensation plan (1.0).	1.00
12/02/97	GREENE S A	Meetings at Willkie Farr w/Feldman and Joyce re retention of Solomon (2.0); attend Compensation Committee Meeting (3.0); meeting w/Weisman re Compensation Plan and Business Plan (5.0).	10.00
12/03/97	GREENE S A	Tel. cs. w/Eric Weisman re business plan (2.0); Alliance telephonic Board of Directors meeting (2.0); tel. conf. with Weisman, Joyce and Leonard re Teller's contract rejections (3.0).	7.00
12/05/97	GREENE S A	Tel. c. w/McLaughlin re Solomon (1.0); tel.c. w/Leonard re rejection of Teller contract (0.5).	1.50
12/08/97	GREENE S A	Tel.c. w/Weisman re business plan (0.5); tel.c. w/Matt Feldman re rejection of Teller contract (0.5).	1.00
12/12/97	GREENE S A	Conf. call w/Chris Joyce re corporate governance (2.0); tel.c. w/Weisman re Solomon (1.0).	3.00
12/15/97	GREENE S A	Tel.c. w/Trepper re Teller contract rejection (0.5); tel.c. w/Weisman re governance matters (1.0).	1.50
12/16/97	GREENE S A	Meeting at Alliance w/Eric Weisman re bank retention and business plan (3.0); meeting at Willkie Farr w/Matt Feldman re status conference (2.0).	5.00
12/22/97	GREENE S A	Tel.cs. w/Weissman re Saloman (2.0); tel.c. w/Joyce re Saloman retention (2.0).	4.00
12/23/97	GREENE S A	Tel.c. w/Joyce re investment banker (1.0); tel.c. w/Weissman re investment	3.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 2

December, 1997

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		banker (2.0).	
		TOTAL FOR SERVICES	37.00

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE S A	496.00	<u>37.00</u>	<u>18,352.00</u>
	TOTAL		37.00	\$ 18,352.00

December, 1997

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
12/09/97	CANTOR D	Tel. c. w/Joyce re CMC arbitration (.1); tel. c. w/Drewsen re same (.30); review AAA submissions by Alliance and CMC (.5)	.90
12/10/97	CANTOR D	Tel. c. w/Drewsen re CMC arbitration (.1); review AAA rules (.2); tel. c. w/Drewsen re CMC arbitration (.3); review agreements and correspondence re CMC dispute (.6)	1.20
12/12/97	KORPUS M J	Conf. D. Cantor re executory contract, arbitration in bankruptcy issues.	.30
12/12/97	CANTOR D	Review docs. & correspondence re CMC dispute (1.7); tel. c. w/Drewsen and Dawson re same (.4); tel. c. w/Dawson re audit issues in CMC dispute (.1); conf. w/Mark Korpus re bankruptcy issues in CMC arbitration (.6); tel. c. w/Joyce re bankruptcy & strategy (.4)	3.20
12/14/97	CANTOR D	Legal research re affect of bankruptcy stay on CMC arbitration claims (.8); develop strategy for arbitration hearing on 12/15 (1.2)	2.00
12/15/97	CANTOR D	Prepare for arbitration re CMC (.6); conf. w/Korpus re bankruptcy issues concerning CMC (.4); conf. w/Joyce and Drewsen re hearing strategy (1.5); hearing re CMC arbitration (2.5); conf. w/Joyce re results of hearing (.5); tel. c. w/Hayes re scheduling a meeting re CMC arb. (.1); tel. c. w/Joyce re same (.4); plan discovery strategy (1.0)	7.00
12/16/97	CANTOR D	Review FRCP 68 re CMC arbitration (.7); legal research re New York law on im-	2.80

December, 1997

DATE	NAME	DESCRIPTION	HOURS
		plied duty of good faith and recission of contracts re same (.8); review documents and develop discovery strategy re same (1.3)	
12/17/97	CANTOR D	Tel. c. w/Joyce re strategy for BMG meeting re: CMC settlement (.3); tel. c. w/Joyce re meeting w/BMG re CMC settlement (.2); tel. c. w/Matt Feldman re <u>Bain</u> litigation (.2)	.70
12/18/97	CANTOR D	Tel. c. w/Hayes re CMC arbitration (.1); review motion to lift stay re 16(b) litigation (.5); tel. c. w/Feldman re same (.1)	.70
12/19/97	CANTOR D	Tel. c. w/Drewsen re settlement of CMC arbitration (.1); tel. c. w/Michael Young re same (.1); tel. c.w/Hayes re same (.1); tel. c. w/Matt Feldman re <u>Bain</u> litigation (.1)	.40
		TOTAL FOR SERVICES	19.20

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
MJK	KORPUS M J	416.00	.30	124.80
DLC	CANTOR D	364.00	18.90	6,879.60
	TOTAL		19.20	\$ 7,004.40

December, 1997

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
12/01/97	MURPHY H	Prepared Documents and Filed Electronically for R. Guilbert.	2.50
12/01/97	AHMAD A	Served Fee Application on Office of the U.S. Trustee for R. Guilbert.	.50
12/02/97	MARCANTONI	Diaried hearing date re: first interim fee applications.	.20
12/03/97	MARCANTONI	Diaried last day to file second and third interim fee applications.	.30
12/01/97	GUILBERT R	Conf w/Korpus re: electronic filing of interim fee application (.20); conf. w/Systems group re: PDF format (.20); conf. w/Mging. Atty. re: same (.30); rev. and revise int. fee appl. (4.60); prep. 1st fee appl. (.70).	6.00
12/02/97	GUILBERT R	Prep. interim fee appl. (.20); conf. w/Mging. Attys. re: same (.10); conf. w/Korpus re prep. of next int. fee appl. (.20).	.50
12/05/97	GUILBERT R	Reviewed 1st int. fee. appl.	.20
12/10/97	GUILBERT R	Rev. Nov. fee and disbursement submission (1.0); prepared memo to Attys. re: Nov. fee submission (.10); prep. lists (.80).	1.90
12/11/97	PRFRDR	Checked revisions on Nov. fee and disbursement submission for R. Guilbert	.30
12/11/97	PRFRDR	Checked revisions on Nov. fee and disbursement submission for R. Guilbert	.70
12/11/97	GUILBERT R	Reviewed and revised November fee and disbursement submission.	.50
12/12/97	GUILBERT R	Tel. c. w/Bizik re accuracy and consistency of time (.10); prepared memo to	.30

December, 1997

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		lawyer re accuracy and consistency of time (.20).	
12/15/97	GUILBERT R	Revised fee and disbursement submis- sion.	.50
12/16/97	PRFRDR	Checked revisions on List for R. Guil- bert	.30
12/16/97	GUILBERT R	Reviewed and revised November fee and disbursement submission.	2.00
12/17/97	PRFRDR	Checked revisions on Nov. fee and dis- bursement submission for R. Guilbert	.70
12/17/97	GUILBERT R	Reviewed and revised November fee and disbursement submission.	2.00
12/18/97	GUILBERT R	Reviewed and revised November fee and disbursement submission.	6.20
12/19/97	PRFRDR	Checked revisions on Response for R. Guilbert	.50
12/19/97	PRFRDR	Checked revisions on Nov. fee and dis- bursement submission for R. Guilbert	1.20
12/19/97	GUILBERT R	Reviewed and revised Nov. fee and dis- bursement submission (3.40); prepared and distributed November fee and dis- bursement submission (.50).	3.90
12/22/97	MURPHY H	Prepared and filed 1st interim fee app. for R. Guilbert.	1.00
		TOTAL FOR SERVICES	32.20

-----TIME RECAP-----

INIT	NAME	RATE	HOURS	AMOUNT
NJM	MARCANTONIO NJ	168.00	.50	84.00
HM	MURPHY H	156.00	3.50	546.00
RG	GUILBERT R	104.00	24.00	2,496.00
AA	AHMAD A	92.00	.50	46.00
PR	PRFRDR	76.00	3.70	281.20
	TOTAL		32.20	\$ 3,453.20

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
12/02/97	REINHOLD R	Conf. w/A. Rosen re PAS stock disposition.	.50
12/02/97	ROSEN A H	Research re: Sections 1.1502-20, -80 and -19 and 165 (.7); miscellaneous conversations with B. Jones re: worthless security deduction for PAS (.2); review Stock Purchase Agreement (.5); meeting with R. Reinhold re: PAS stock disposition (.50).	1.90
12/03/97	REINHOLD R	Legal research re: Sections 1.1502-20, -80 and -19 and 165 (1.8); Conf. w/A. Rosen re PAS stock sale (.50).	2.30
12/03/97	ROSEN A H	Research re: Sections 1.1502-20, -80 and -19 and 165 (1.8); conversations with B. Jones re: worthless security deduction for PAS (.3); review Stock Purchase Agreement (.3); meeting with R. Reinhold re PAS stock sale (.5); conf. w/S. Wadhwa re worthless security deduction (.30).	3.20
12/03/97	WADHWA S	Conf. w/A. Rosen re: worthless security deduction (.30); research regarding ability to claim worthless security deduction upon stock sale of subsidiary in consolidated group setting (1.20).	1.50
12/04/97	WADHWA S	Legal research re: P's ability to claim worthless security deduction upon sale of S stock in light of the deferred trigger rules of Section 1.1502-19(c)(1)(iii) (1.00); secondary authority research under Section 1.1502-80(c) and Section 165(g) also (1.70); Conf. w/A. Rosen re: Regulation { 1.1502 (.30).	3.00
12/04/97	ROSEN A H	Research re: interpretation of "worthless" under 1.1502-19(c)(iii) (1.00); Meeting w/S. Wadhwa re: Regula-	1.30

DATE	NAME	DESCRIPTION	HOURS
		tion { 1.1502 (.30).	
12/05/97	ROSEN A H	Begin drafting memorandum to B. Jones re: PAS worthless securities deduction.	1.00
12/06/97	ROSEN A H	Review draft memorandum and revise.	.70
12/08/97	ROSEN A H	Revise and complete draft memorandum (2.9); tel. convs. with B. Jones re: various amounts and tax status of PAS as at 12/31/96 (.3); meeting with R. Reinhold re: Memo (.30).	3.50
12/11/97	REINHOLD R	Revise memo re PAS loss (.80); Conf. w/A. Rosen re same (.20).	1.00
12/11/97	ROSEN A H	Tel.c. w/B. Jones re: deductibility of certain costs and tort claims (.2); preliminary research and meeting with S. Wadhwa re: same (1.1); finalize and complete memo re: stock loss provisions as applicable to PAS investment (2.2).	3.50
12/11/97	WADHWA S	Conf. w/A. Rosen re: deductibility of legal & professional expenses incurred by a corporation in bankruptcy (.30) legal research re: deductibility of legal expenses incurred by corporation currently in bankruptcy (2.70).	3.00
12/12/97	WADHWA S	Further investigation of rules concerning deductibility versus capitalization of legal expenses incurred by Corporation during insolvency/bankruptcy (2.2); Conf. w/A. Rosen re: deductibility of legal expenses incurred by an insolvent corporation (.30).	2.50
12/15/97	WADHWA S	Preparing memo concerning tax treatment of certain legal and other professional expenses incurred by taxpayer.	.50
12/18/97	WADHWA S	Conf. w/A. Rosen re: deductibility of legal fees incurred by a corporation in bankruptcy (.30); legal research and	1.50

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		preparing memo regarding tax treatment of legal expenses incurred by taxpayer during course of business (1.20).	
12/19/97	ROSEN A H	Review prof. fee deductibility memo and forward to R. Reinhold.	.50
12/22/97	REINHOLD R	Rev. memo re deductibility of tax expenses.	.80
		TOTAL FOR SERVICES	32.20

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
RR	REINHOLD R	496.00	4.60	2,281.60
AHR	ROSEN A H	364.00	15.60	5,678.40
SW	WADHWA S	264.00	12.00	3,168.00
	TOTAL		32.20	\$ 11,128.00

December, 1997

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
12/01/97	GREENE S A	Tel. cs. w/Joyce re Castle sale.	2.00
12/01/97	BRYAN D M	Phone call w/Kate Brown re castle agreement	.20
12/04/97	GREENE S A	Revise Purchase Agreement for Castle.	2.00
12/09/97	BRYAN D M	Mtg. w/S. Greene re: Castle agreement (.30); phone call w/S. Greene and C. Joyce re: Castle agreement (.20); re- vise Castle agreement & distribute (1.0)	1.50
12/09/97	GREENE S A	Review indenture and bank agreement re sale of Castle.	2.00
12/10/97	PRFRDR	Checked revisions on Share Purchase Agreement for D. Bryan	.70
12/10/97	BRYAN D M	Conf. call w/K. Brown, J. Obrien re Castle purchase agreement (.50); revise and distribute Castle purchase agreement (1.0)	1.50
12/11/97	GREENE S A	Tel.c. w/Chris Joyce re Castle sale and Solomon retention (2.0).	2.00
12/16/97	BRYAN D M	Review Senior Sub. Indenture and prepare draft memo re: provisions implicated by Sale of Castle (1.80); phone call w/S. Greene re: Alliance Indenture (.20)	2.00
12/17/97	BRYAN D M	Prepare cover letter and distribute memo re indenture	.50
		TOTAL FOR SERVICES	14.40

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
sag	GREENE S A	496.00	8.00	3,968.00
DMB	BRYAN D M	264.00	5.70	1,504.80
PR	PRFRDR	76.00	.70	53.20
	TOTAL		14.40	\$ 5,526.00

Alliance Entertainment
Disbursement Summary
December 1997

Xeroxing	203.70
Courier Service	5.15
Lexis and Database Charges	290.01
Local Transportation	499.88
Telephone Charges	17.53
Rapifax	252.00
Westlaw Searches	231.36
Word Processing	1,318.70
Messenger Services	<u>107.00</u>
	2,925.33

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL

December, 1997

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	23.55
Courier Service	5.15
Lexis and Database Charges	72.17
Local Transportation	372.24
Telephone Charges	11.91
Rapifax	168.00
Westlaw Searches	162.86
Word Processing - N.Y.	84.00
TOTAL DISBURSEMENTS AND CHARGES	<u>\$ 899.88</u>

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION

December, 1997

<u>DISBURSEMENT AND CHARGES</u>	<u>AMOUNT</u>
Local Transportation	23.00
Telephone Charges	2.24
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$ 25.24

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION

December, 1997

<u>DISBURSEMENT AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	96.00
Telephone Charges	.08
Local Transportation	104.64
Exhibit Tabs	2.70
Messenger Services	80.50
Word Processing - N.Y.	784.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$ 1,067.92

ALLIANCE ENTERTAINMENT CORP. (DIP)
TAX

December, 1997

<u>DISBURSEMENT AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	13.50
Lexis and Database Charges	217.84
Rapifax	36.00
Westlaw Searchs	68.50
Word Processing - N.Y.	112.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$ 447.84

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE

December, 1997

<u>DISBURSEMENT AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	70.65
Telephone Charges	3.30
Rapifax	48.00
Messenger Services	26.50
Word Processing - N.Y.	336.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$ 484.45

List of Professionals, Rates and Aggregate Hours
January 1998

<u>Name</u>	<u>Position</u>	<u>Rate</u>	<u>Aggregate Hours</u>	<u>Total Fees</u>
Greene, Stephen A.	Partner	496	23.00	\$11,408.00
Cantor, Daniel	Associate	364	6.20	2,256.80
Bryan, Donna M.	Associate	264	1.00	264.00
Khadavi, Steven	Associate	212	1.60	339.20
Guilbert, Rebecca	Paralegal	104	23.10	2,402.40
Proofreaders	Paraprofessionals	76	<u>8.70</u>	<u>661.20</u>
			63.60	\$17,331.60

January, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
01/12/98	GREENE S A	Tel.c. w/Joyce and Weisman re: Invest- ment Banker (2.0).	2.00
01/13/98	GREENE S A	Meeting at Willkie Farr w/Chris Joyce and Matt Feldman re: retention of in- vestment bankers (3.0).	3.00
01/14/98	GREENE S A	Tel.cs. w/Weisman re: bankers (1.0); meeting at Willkie Farr w/Matt Feldman re: Board Meeting agenda (2.0).	3.00
01/15/98	GREENE S A	Attend Alliance Board of Directors Meeting (3.0).	3.00
01/19/98	GREENE S A	Tel. c. w/Eric Weisman re: Blackstone (1.0); tel. c. w/Joyce re: Red Ant mat- ter (1.0).	2.00
01/21/98	KHADAVI S.	Tel. c. w/SEC Examiner re: request for no-action.	.30
01/23/98	GREENE S A	Meeting at Willkie Farr w/Matt Feldman and Chris Joyce re: Red Ant matters (3.0); tel. c. w/Weisman re: financial covenants (1.0).	4.00
01/23/98	KHADAVI S	Preparing letter to SEC re: 1934 re- porting act requirements.	1.00
01/26/98	GREENE S A	Meeting at Zolfo Cooper w/Leonard Lobi- anco re: financial statements.	3.00
01/27/98	KHADAVI S	Preparing letter to SEC. re: relief from SEC reporting requirements	.30
		TOTAL FOR SERVICES	21.60

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE S A	496.00	20.00	9,920.00
SK	KHADAVI S	212.00	1.60	339.20
	TOTAL		21.60	\$ 10,259.20

January, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
01/05/98	CANTOR D	Tel. c. w/Joyce re: settlement of CMC arbitration (.1)	.10
01/14/98	CANTOR D	Review draft settlement agreement (.5); tel. c. w/Joyce, Drewsen re: same (.3)	.80
01/15/98	CANTOR D	Tel. c. w/Longmire re: 16(b) litigation (.1); review draft settlement agreement re: CMC arbitration (.4); tel. c. w/Hayes re: same (.1)	.60
01/16/98	CANTOR D	Letter to Hayes re: comments on draft settlement agreement (1.0); tel. c. w/Hayes re: same (.1)	1.10
01/19/98	CANTOR D	Review motion papers re: 16(b) litigation (.5); tel. c. w/Feldman, Longmire re: same (.1); tel. c. w/Feldman, Longmire, Wexler re: same (.3); prepare memorandum to Greene and Korpus re: same (.4)	1.30
01/20/98	CANTOR D	Tel. c. w/Joyce re: CMC settlement (.1); tel. c. w/Joyce re: 16(b) litigation (.1)	.20
01/21/98	CANTOR D	Tel. c. w/Hayes re: CMC settlement (.1)	.10
01/22/98	CANTOR D	Tel. c. w/Hayes re: CMC settlement agreement (.3); tel. c. w/Joyce re: same (.1)	.40
01/23/98	CANTOR D	Tel. c. w/Feldman re: 16(b) litigation (.1); tel. c. w/Hayes re: CMC settlement (.1)	.20
01/26/98	CANTOR D	Review draft stip. re: 16(b) litigation (.3); tel. c. w/Longmire re: same (.1); tel. c. w/Joyce re: CMC settlement (.1)	.50

January, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
01/27/98	CANTOR D	Tel. c. w/Hayes re: CMC settlement (.1); review draft stip. re: 16(b) litigation (.2); tel. c. w/Longmire re: same (.1)	.40
01/28/98	CANTOR D	Tel. c. w/Hayes re: CMC settlement (.1)	.10
01/29/98	CANTOR D	Tel. c. w/Drewsen re: CMC settlement (.1); tel. c. w/Drewsen and Joyce re: same (.1)	.20
01/30/98	CANTOR D	Review letter from Wexler re: 16(b) litigation (.1); tel. c. w/Longmire re: 16(b) litigation (.1)	.20
		TOTAL FOR SERVICES	6.20

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
DLC	CANTOR D	364.00	<u>6.20</u>	<u>2,256.80</u>
	TOTAL		6.20	\$ 2,256.80

ALLIANCE ENTERTAINMENT CORP. (DIP)
DIP FINANCING
PAGE 1

January, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
01/30/98	GREENE S A	Tel c. w/Joyce re: loan agreement.	.50
		TOTAL FOR SERVICES	.50

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE S A	496.00	<u>.50</u>	<u>248.00</u>
	TOTAL		.50	\$ 248.00

January, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
01/05/98	GUILBERT R	Placed calls to law- yers/paraprofessionals re: all time on matters.	.40
01/13/98	GUILBERT R	Rev. Dec. fee and disb. submission (3.00); prepared memos to attys. re: Dec. fee submission (1.4); prepared lists (1.60).	6.00
01/14/98	GUILBERT R	Rev. Dec. fee and disb. submission.	.40
01/15/98	PRFRDR	Full read fee submission for R. Guil- bert.	2.00
01/15/98	PRFRDR	Full read Summary for R. Guilbert.	3.00
01/15/98	GUILBERT R	Reviewed and revised free and disb. submission.	2.60
01/16/98	GUILBERT R	Reviewed and revised Dec. fee and disb. submission.	3.00
01/17/98	PRFRDR	Checked revisions on fee submission for R. Guilbert.	2.00
01/17/98	PRFRDR	Checked revisions on fee submission for R. Guilbert.	1.50
01/18/98	GUILBERT R	Reviewed and revised fee and disb. sub- mission.	1.80
01/19/98	PRFRDR	Checked revisions on Memorandum for R. Guilbert.	.20
01/19/98	GILBERT R	Reviewed and revised fee and disb. sub- mission.	5.70
01/20/98	GUILBERT R	Reviewed and revised fee and disb. sub- mission.	3.20
		TOTAL FOR SERVICES	31.80

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
RG	GUILBERT R.	104.00	23.10	2,402.40
PR	PRFRDR	76.00	8.70	661.20
	TOTAL		31.80	\$ 3,063.60

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 1

January, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
01/0998	BRYAN DM	Phone call w/Matt Herman re: Castle Agreement (1.0)	1.00
01/22/98	GREENE SA	Tel. c. w/Chris Joyce re: Purchase Agreement.	1.00
01/27/98	GREENE SA	Meeting w/Eric Weisman re Blackstone Group and equity sponsors.	.50
01/29/98	GREEN SA	Tel. c. w/Joyce re: Purchase Agreement.	1.00
		TOTAL FOR SERVICE	3.50

-----TIME RECAP-----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE SA	496.00	2.50	1,240.00
DMB	BRYAN DM	264.00	1.00	264.00
	TOTAL		3.50	\$ 1,504.00

Alliance Entertainment
Disbursement Summary
January 1998

Xeroxing	60.45
Postage	.64
Telephone Charges	33.81
Local Transportation	321.18
Rapidfax	34.50
Messenger Services	78.55
Word Processing	842.70
Data Bank Research PACER	.60
Air Freight Delivery Charge	<u>7.00</u>
	1,379.43

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL

January, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	4.80
Postage	.64
Telephone Charges	9.41
Local Transportation	155.42
Rapidfax	19.50
Messenger Services	20.00
Word Processing N.Y.	28.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$ 237.77

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION

January, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Data Bank Research	.60
PACER (DISB186)	
Local Transportation	17.40
Rapidfax	15.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$ 33.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
DIP FINANCING

January, 1998

<u>DISBURSEMENT AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	<u>2.40</u>
TOTAL DISBURSEMENTS AND CHARGES	\$ 2.40

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION

January, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	53.25
Exhibit Tabs	2.70
Messenger Services	58.55
Word Processing - N.Y.	812.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$ 926.50

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE

November, 1997

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Air Freight Delivery Charge	7.00
Telephone Charges	24.40
Local Transportation	148.36
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$ 179.76

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re)
)
)
ALLIANCE ENTERTAINMENT CORP.,)
et al.,) Chapter 11
)
) Case No. 97 B 44673
Debtors.) (BRL)
)
) (Jointly Administered)
_____)

SECOND INTERIM APPLICATION OF CAHILL GORDON
& REINDEL, SPECIAL COUNSEL TO THE DEBTORS,
FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES

Name of Applicant: Cahill Gordon & Reindel

Role in the Case: Special Counsel to the Debtors

Fees Previously Requested: \$135,610.80

Fees Previously Awarded: \$108,488.64

Expenses Previously Requested: \$12,123.91

Expenses Previously Awarded: \$12,123.91

Retainer Paid: Net \$11,074.53

Current Application

Period for which compensation and
reimbursement is sought: November 1, 1997 to January 31, 1998

Interim Fee Requested: \$88,334.40

Expenses Requested: \$8,478.32

CAHILL GORDON & REINDEL
November 1, 1997 - January 31, 1998

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Stephen A. Greene, Esq., Partner	Joined firm as associate in 1965; became partner in 1972; Member New York Bar since 1965; 32 years experience specializing in corporate and securities matters	\$496.00	105.00	52,080.00
Richard L. Reinhold, Esq., Partner	Joined firm as counsel in 1985; became partner in 1985; Member New York Bar for 20 years; prior experience as an Attorney-Advisor of Tax Policy, U.S. Department of Treasury (1982-1984); expertise in tax matters	496.00	4.60	2,281.60
Marc J. Korpus, Esq., Senior Attorney	Joined firm as law clerk in 1981; became associate in 1982; became senior attorney in 1990; Member New York Bar since 1985; 12 years experience specializing in bankruptcy matters	416.00	.30	124.80
Daniel Cantor, Esq., Associate	Joined firm as associate in 1989; Member New York Bar since 1990; expertise in litigation matters	364.00	25.40	9,245.60

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Andrew H. Rosen, Esq., Associate	Joined firm as clerk/associate in 1996; admitted in California only since December 1992; 5 years prior experience in LL.M in tax; expertise in federal tax matters	364.00	15.60	5,678.40
Donna M. Bryan, Esq., Associate	Joined firm as associate in 1994; Member New York Bar since December 1995; expertise in corporate matters	264.00	7.00	1,848.00
Sanjay Wadhwa, Esq., Associate	Joined firm as law clerk in 1996; became associate in 1997; Member New York Bar since July 1997; 1 year prior experience in LL.M in tax; expertise in tax matters	264.00	12.00	3,168.00
Steven Khadavi, Esq., Associate	Joined firm as law clerk in 1995; became associate in 1996; Member New York Bar 8 months; expertise in corporate matters	212.00	1.80	381.60
Barbara Brincefield, Attorney	Research and legislative attorney, 20 years	208.00	.50	104.00
Nicholas J. Marcantonio, Deputy Managing Attorney	Deputy Managing Attorney, 10 years	168.00	.50	84.00
Helen Murphy, Paraprofessional	Paralegal, 2 years	156.00	3.50	546.00
Rebecca Guilbert, Paraprofessional	Paralegal, 4 years	104.00	104.00	10,816.00
Abdul Ahmad, Paraprofessional	Paralegal, 22 years	92.00	.50	46.00

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Michael Bizik, Paraprofessional	Paralegal, 10 years	76.00	1.00	76.00
Proofreaders	Paraprofessionals	76.00	24.40	1,854.40
Grand Total			306.10	88,334.40
Blended Rate		\$288.58/hour		

Pursuant to 11 U.S.C. §§ 330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure and the Order dated August 13, 1997 Establishing Administrative Procedures in the Debtors' Chapter 11 Cases (the "Administrative Order"), the law firm of Cahill Gordon & Reindel ("CG&R") hereby moves this Court for an interim order awarding its reasonable compensation with respect to the above-captioned debtors and debtors in possession (the "Debtors") for professional legal services rendered as special counsel to the Debtors in the amount of \$88,334.40 together with reimbursement for actual and necessary expenses incurred in the amount of \$8,478.32 for the period November 1, 1997 through and including January 31, 1998 (the "Application Period"). In support of its application, CG&R respectfully represents as follows:

Background

1. On July 14, 1997 (the "Petition Date"), Alliance Entertainment Corp. ("Alliance") and fourteen of its direct and indirect subsidiaries (collectively with the Alliance, the "Debtors"), filed voluntary chapter 11 petitions in this Court. The Debtors have continued as debtors in possession under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors' chapter 11 cases have been consolidated for procedural purposes only.

2. Pursuant to an Order entered by this Court on the Petition Date, CG&R was employed pursuant to Sections 327(e), 328(a) and 1107(b) of the Bankruptcy Code under a general retainer to serve as special corporate, tax, litigation, and ERISA counsel to the Debtors, as debtors and debtors in possession to perform the services set forth in paragraph 9 of the Application of Debtors for Order Authorizing Debtors to Employ and Retain Cahill Gordon & Reindel as Special Corporate, Tax, ERISA and Litigation Counsel, dated the Petition Date (the "Retention Application").

3. Under paragraph 9 of the Retention Application, CG&R was expected to be employed to provide services to the Debtors in connection with federal and state securities law matters, tax and pension matters, corporate governance and as-

sistance in debtor-in-possession financing, other postpetition transactions, including asset sales, financing transactions in connection with a reorganization plan, and such litigation matters as are designated by the Debtors and do not constitute matters central to the Debtors' reorganization. Cahill's services for the Debtors commenced on the Petition Date.

4. All services for which compensation is requested by CG&R were performed for or on behalf of the Debtors and not on behalf of any committee, creditor or other person.

5. CG&R has been retained to provide services under a general retainer at its customary hourly rates, subject to Section 330 of the Bankruptcy Code and approval of allowance of compensation and reimbursement of expenses by the Court. No party or person other than the Debtors has agreed to compensate CG&R for its services as special counsel.

6. On or about June 30, 1997, as set forth in the Affidavit of Stephen A. Greene, Esq., filed in connection with the CG&R Retention Application, CG&R received a prepetition retainer from Alliance in the amount of \$100,000, in prepayment of fees and expenses incurred in representation of the Debtors prior to and subsequent to the filing of their chapter 11 petitions. Of the original \$100,000 provided by the retainer, \$88,925.47 has been absorbed in compensation for prepetition

legal services and expenses by CG&R for the Debtors. The remaining \$11,074.53 is held by CG&R, will be applied against fees and expenses incurred by CG&R as counsel for Alliance prior to the filing of the bankruptcy petitions, upon allowance by the Court. The net sum of \$11,074.53 accordingly will be credited against postpetition fee and expense payments due from the Debtors to CG&R pursuant to this Application, as allowed by the Court, and CG&R respectfully requests, therefore, that of the sums allowed in its favor pursuant to this application, \$11,074.53 should be paid from the aforesaid retainer.

7. The names, hourly rates, and other data concerning CG&R professionals and paraprofessionals who provided services for the Debtors during the period covered by the Application are set forth above. CG&R charges the same hourly rates to nonbankruptcy clients for similar services.

8. No previous fee or expense application has been made by CG&R in the Debtors' cases with respect to the legal services provided during the Application Period.

9. Attached hereto in Exhibit A is a detailed statement of professional services rendered during the month of November, 1997, showing the amount of \$25,539.20 as CG&R's allowable compensation for such services.

10. Attached hereto in Exhibit B is a detailed statement of professional services rendered during the month of December, 1997, showing the amount of \$45,463.60 as CG&R's allowable compensation for such services.

11. Attached hereto in Exhibit C is a detailed statement of professional services rendered during the month of January, 1998 showing the amount in \$17,331.60 as CG&R's allowable compensation for such services.

SUMMARY OF SERVICES RENDERED

12. The attorneys of CG&R who have rendered professional services in this case during the Application Period are Stephen A. Greene, Esq., Richard L. Reinhold, Esq., Marc J. Korpus, Esq., Daniel Cantor, Esq., Andrew H. Rosen, Esq., Donna M. Bryan, Esq., Sanjay Wadhwa, Esq. and Steven Khadavi, Esq. Research-related services were provided by Barbara Brincefield and managing attorney office services were provided by Nicholas J. Marcantonio. Additional services were performed by the paralegals and paraprofessionals as set forth in Exhibits A-D to this application.

13. CG&R, by and through the above-named persons, has represented and advised the Debtors with respect to legal matters in connection with the operation and reorganization of

their businesses, including the sale of certain of the Debtors' businesses and legal services with respect to securities law compliance, general corporate matters, ongoing litigation, and other matters. CG&R has used its best efforts to avoid overlap of services with those of Willkie Farr & Gallagher, reorganization counsel to the Debtors.

SUMMARY OF SERVICES BY PROJECT

14. The services rendered by CG&R during the Application Period can be grouped into the categories set forth below. The attorneys, paralegals and paraprofessionals who rendered services relating to each category are identified, along with the number of hours for each individual and the total compensation sought for each category, in Exhibits A-D attached hereto.

A. Corporate General

(Fees - \$46,689.60; Hours - 96.30)

15. During the Application Period, Cahill Gordon & Reindel provided general corporate law advice and representation for the Debtors, including in connection with SEC and state blue sky law compliance and filings (including a request for an SEC no-action letter in connection with asset sales), advice with respect to retention of professionals and corporate

governance issues, including the election of two independent directors (involving the creation of a compensation and indemnity package), retention of financial advisors and nonbankruptcy-law legal issues related to executory contracts. Corporate representation was primarily provided by Stephen A. Greene, Esq. and Steven Khadavi, Esq.

B. General Litigation

(Fees - \$9,370.40; Hours - 25.70)

Time in this category primarily comprised representation and advice to the Debtors in connection with the CMC arbitration, including (i) claims of the estate for up to \$2 million, which resulted in a settlement, and (ii) legal advice related to the Bain/Schaeffer litigation representation in this matter. Work on this matter was primarily carried out by Daniel Cantor, Esq. and Marc J. Korpus, Esq.

C. Reorganization

(Fees -\$13,605.20; Hours -135.20)

16. Preparation of fee and expense submissions, including CG&R's first interim fee application, and preparation of CG&R's first interim fee application for electronic filing. All of the time recorded in this category was by paralegals.

D. Tax

(Fees - \$11,128.00; Hours - 32.20)

17. During the Application Period, CG&R tax attorneys advised the Debtors in connection with the tax implications of a proposed warrant exchange or repurchase, including review of relevant documents and legal research. Tax advice and representation including miscellaneous phone conversations with Alliance, research and drafting of memoranda addressing: (i) deduction for worthless securities regarding certain affiliates; and (ii) deductibility of certain fees and expenses by a debtor-in-possession. Work on this matter was primarily carried out by Richard L. Reinhold, Esq., Andrew H. Rosen, Esq. and Sanjay Wadhwa, Esq.

E. Castle (UK Operations)

(Fees - \$7,605.20; Hours - 19.20)

18. During the Application Period, CG&R gave advice and prepared documentation with respect to a proposed sale of the Debtors' U.K. operations. Work on this matter has been conducted by Stephen A. Greene, Esq. and Donna M. Bryan, Esq.

F. DIP Financing

(Fees - \$248.00; Hours - .50)

19. During the Application period, CG&R gave legal advice with respect to the Debtors d.i.p. loan agreement. Work on this matter has been conducted by Stephen A. Greene, Esq.

DISBURSEMENTS

20. CG&R has incurred actual, reasonable and necessary disbursements during the Application Period in the amount of \$8,478.32. This disbursement amount is broken down into categories of charges, by project, and all expenses are summarized in Exhibits A-D attached hereto.

21. For the Application Period Cahill's rate for xeroxing is \$.15 per page, its rate for outgoing telecopier transmissions is \$1.50 per page (including related toll charges) and there is no charge for incoming telecopier transmissions. Computer legal research is billed at CG&R's costs, which include the cost of computer equipment, telephone lines, support personnel and supplies (not including paper) and other related items.

VALUATION OF SERVICES

22. Attorneys and paraprofessionals of CG&R have expended a total of 306.10 hours in connection with this matter during the Application period, with fees totaling \$88,334.40. Exhibit E is a schedule summarizing the time expended by attor-

neys and paraprofessionals during this time period, including the minimum hourly rates of each individual.

23. The nature of the work performed by these individuals is fully set forth in Exhibits A-D attached hereto. These are CG&R's normal minimum hourly rates for work of this character. The reasonable value of the services rendered by CG&R to the Debtors during the Application Period is \$88,334.40.

24. In accordance with the factors enumerated in 11 U.S.C. § 330, the amount requested is fair and reasonable given (a) the complexity of this case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

WHEREFORE, CG&R prays that an interim allowance be made to it in the sum of \$88,334.40 as compensation for necessary professional services rendered to the Debtor during the Application Period and in the sum of \$8,478.32 for reimbursement of actual necessary costs and expenses incurred during

this period and for the Court to grant such other and further relief as this Court may deem just and proper.

DATED: March 2, 1998

Stephen A. Greene (SG-2167)
CAHILL GORDON & REINDEL
(a partnership including a
professional corporation)
80 Pine Street
New York, New York 10005
(212) 701-3000

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____)	
In re)	
)	
ALLIANCE ENTERTAINMENT CORP.,)	
et al.,	)	Chapter 11
)	
	)	Case No. 97 B 44673
Debtors.	)	(BRL)
)	
	)	(Jointly Administered)
_____)	

AFFIDAVIT OF STEPHEN A. GREENE, ESQ. PURSUANT TO SECTION 504 OF
THE BANKRUPTCY CODE, RULE 2016 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE, AND CERTIFICATION OF COMPLIANCE WITH
LOCAL FEE AND EXPENSE GUIDELINES

STATE OF NEW YORK)
) ss. :
COUNTY OF NEW YORK)

STEPHEN A. GREENE, being duly sworn, deposes and
says:

1. I am a member of the bar of this Court and a partner of the Applicant firm of Cahill Gordon & Reindel ("Cahill"). I make this Certification in compliance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, dated April 19, 1995 (the "Amended Local Guidelines") in support of

the Second Interim Application for Allowance of Fees and Reimbursement of Expenses of Cahill Gordon & Reindel, Special Corporate, Tax, Litigation etc. Counsel to the Debtors, dated March 2, 1998 (the "Second Interim Application").

2. No agreement or understanding exists between Cahill Gordon & Reindel and any person for a division of compensation or reimbursement received or to be received herein or in connection with the within cases.

3. No prior applications for interim compensation or reimbursement of expenses with respect to the period covered by the Second Interim Application have been made. Cahill Gordon & Reindel has received no payment or promise of payment for the services rendered in these chapter 11 cases other than as disclosed in the application for Cahill's retention as special counsel for the Debtors and in the Second Interim Application.

4. (a) I have read the Second Interim Application. (b) To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Amended Local Guidelines and the guidelines promulgated by the Executive Office for the United States Trustees (the "UST Guidelines"). (c) Except to the extent that fees or disbursements have been adjusted to comply with the Amended Local Guidelines or the UST Guidelines, the fees and

disbursements sought are billed at rates and in accordance with practices customarily employed by the applicant and generally accepted by the applicant's clients. (d) In providing a reimbursable service, the applicant does not make a profit on that service, whether the service is performed by the applicant in-house or through a third party.

5. The co-chairs of the official committee of unsecured creditors and the debtors have each been provided not later than 20 days after the end of each calendar month during the period covered by the Second Interim Application with a statement of fees and disbursements accrued during such month, in substantial compliance with paragraph (B)(2) of the Amended Local Guidelines. In certain instances, because of corrections and modifications, there are minor divergences between the fees and disbursements applied for in the accompanying Second Interim Application and the statements of fees and disbursements previously provided to the debtors and the committee.

6. The co-chairs of the official committee of unsecured creditors and the debtor have each been provided with a copy of this Application, substantially in the form in which it is filed, 10 days prior to the date of this Application.

Stephen A. Greene (SG-2167)

SWORN TO AND SUBSCRIBED
before me this ____ day
of _____ 1998.

Notary Public
My Commission Expires:

List of Professionals, Rates and Aggregate Hours
February 1998

<u>Name</u>	<u>Position</u>	<u>Rate</u>	<u>Aggregate Hours</u>	<u>Total Fees</u>
Greene, Stephen A.	Partner	496	33.70	16,715.20
Reinhold, Richard L.	Partner	496	1.00	496.00
Cantor, Daniel	Associate	364	7.90	2,875.60
Bryan, Donna M.	Associate	264	21.40	5,649.60
VanHove, Jeffrey	Associate	264	2.00	528.00
Khadavi, Steven	Associate	212	3.70	784.40
Guilbert, Rebecca	Paralegal	104	28.70	2,984.80
Proofreaders	Paraprofessionals	76	<u>17.80</u>	<u>1,352.80</u>
			116.20	\$31,386.40

February, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
02/02/98	GREENE	Tel. c. w/Weisman re equity sponsors (.5); conf. w/Joyce re Confidentiality Agreements and Purchase Contracts (2).	2.50
02/03/98	GREENE	Tel. c. w/Weisman re corporate process (2); Tel. c. w/Joyce re equity sponsor purchase (1); tel. c. w/John Reese re Board seats (1).	4.00
02/04/98	GREENE	Meeting with Chris Joyce re corporate purchases (1); meeting with Feldman and Joyce re bank proposals (3).	4.00
02/05/98	GREENE	Board meeting at Wilkie Farr.	3.00
02/09/98	GREENE	Tel. c. w/Townsend Ziebold re Board purchase (1); tel. c. w/Joyce re corporate purchase (1).	2.00
02/11/98	GREENE	Tel. c. w/John Reiss and bankruptcy partner re: Board Meeting.	1.00
02/11/98	GREENE	Conference with Joyce re trading and SEC reports.	2.00
02/11/98	KHADAVI	Reviewing letter to SEC(.5); tel. c. w/C. Joyce re letter to SEC(.5).	1.00
02/12/98	KHADAVI	Drafting letter to SEC re relief from '34 Act reports.	1.00
02/13/98	GREENE	Conf. call w/Joyce and Weisman re Board agenda items.	2.00
02/15/98	PRFRDR	Full read Letter for S. Greene	.20

February, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
02/16/98	KHADAVI	Drafting letter to SEC re relief from 1934 Act reporting.	.30
02/16/98	PRFRDR	Checked revisions on Letter for S. Greene.	.50
02/16/98	PRFRDR	Checked revisions on Letter for S. Khadavi.	1.70
02/17/98	GREENE	Tel.c. w/Joyce re equity sponsors	1.00
02/17/98	KHADAVI	Conf. call w/C. Joyce and M. Lewis re SEC no-action letter.	.40
02/20/98	GREENE	Tel.c. Weisman re Bank Meeting.	1.00
02/23/98	GREENE	Conf. w/Joyce re corporate governance and SEC matters (1.5); conf. Weisman re Board Agenda (.5).	2.00
02/23/98	PRFRDR	Checked revisions on Letter for S. Khadavi	.50
02/24/98	GREENE	Attend Bank Meeting.	2.00
02/25/98	GREENE	Meeting with Weisman re equity sponsors and Board Meeting agenda (4.5); Board Meeting (.5).	5.00
02/26/98	GREENE	Tel.c. w/Joyce re directorships (1.0); tel.c. w/Peck re directorship (.2).	1.20
02/26/98	KHADAVI	Tel. c. w/C. Joyce re: 1934 Act reporting requirement(.5); drafting SEC no-action letter(.5).	1.00
TOTAL FOR SERVICES			----- 39.30

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 3

February, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE-S	496.00	32.70	16,219.20
SK	KHADAVI-S	212.00	3.70	784.40
PR	PRFRDR	76.00	2.90	220.40
			-----	-----
		TOTAL	39.30	\$ 17,224.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION
PAGE 1

February, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
02/02/98	CANTOR	Tel. c. w/ Hayes re CMC settlement (.1); tel. c. w/ Longmire re Bain litigation (.2)	.30
02/03/98	CANTOR	Tel. c. w/ Longmire re Bain litigation (.1)	.10
02/05/98	CANTOR	Tel. c. w/ Longmire re Bain litigation (.1); tel. c. w/ Drewson re CMC settlement (.1)	.20
02/06/98	CANTOR	Review Alliance brief re motion to lift stay in Bain litigation (.2); tel. c. w/ Longmire re Bain litigation (.1); review file re same (.5); tel. c. w/ Dan Aaron re same (.2); gather materials to send to Aaron re same (.5)	1.50
02/09/98	CANTOR	Collecting materials re Bain litigation to be sent to Dan Aaron (.5)	.50
02/11/98	CANTOR	Attend bankruptcy ct. hearing re Bain litigation (1.8); tel. c. w/ Drewsen re CMC settlement (.1); tel. c. w/ Hayes re same (.1)	2.00

February, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
02/13/98	CANTOR	Tel. c. w/ Hayes re CMC settlement (.1); review revised draft of CMC settlement agreement (.5); tel. c. w/ Craig Isaacs re same (.2); tel. c. w/ Drewsen re same (.1); tel. c. w/ Joyce re same (.3); tel. c. w/ Isaacs, Hayes re same (.2); tel. c. w/ Drewsen re same (.2); tel. c. w/ Isaacs re same (.2); tel. c. w/ Drewsen re same (.1); review revised CMC draft agreement (.4); tel. c. w/ Joyce, Drewsen re same (.2); tel. c. w/ Isaacs re same (.1)	2.60
02/17/98	CANTOR	Tel. c. w/ Isaacs re CMC settlement (.1); tel. c. w/ Drewsen re same (.1); tel. c. w/ Isaacs re same (.1); tel. c. w/ Drewsen re same (.1)	.40
02/25/98	CANTOR	Tel. c. w/ Drewsen re CMC settlement (.1)	.10
02/27/98	CANTOR	Review motion to approve CMC settlement (.2)	.20
TOTAL FOR SERVICES			----- 7.90

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION
PAGE 3

February, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
DLC	CANTOR-D	364.00	7.90	2,875.60
	TOTAL		7.90 \$	2,875.60

February, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
02/06/98	GUILBERT	Placed calls to lawyers/paraprofessionals re: all time on matters.	.40
02/11/98	GUILBERT	Conf. w/ Korpus re prep. of interim fee application (.30); review and revise Jan. statement of fees and disb. (1.40); prep. atty. and disb. lists (1.90); prep. and revised int. fee application (3.40)	7.00
02/11/98	PRFRDR	Checked revisions on Statement of Fees and Disb. for R. Guilbert	.50
02/12/98	GUILBERT	Reviewed and revised int. fee application.	1.00
02/12/98	PRFRDR	Checked revisions on Statements for R. Guilbert	1.00
02/13/98	GUILBERT	Conf. w/ Korpus re revision of int fee appl.	1.40
02/17/98	GUILBERT	Reviewed and revised int. fee application (1.30); conf. w/ Korpus re same (1.20); reviewed and revised Jan. statement of fees and disb. (1.50)	4.00
02/17/98	PRFRDR	Checked revisions on Lists and Application for R. Guilbert	.20
02/18/98	GUILBERT	Conf. w/ Korpus re prep. of int. fee application (1.0); revised int. fee application (1.40).	2.40

February, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
02/18/98	PRFRDR	Checked revisions on Second Interim Appl. and List of Rates and Hours for R. Guilbert	.30
02/18/98	PRFRDR	Checked revisions on 2 Lists for R. Guilbert	.50
02/19/98	GUILBERT	Conf. w/ Korpus re revision of int fee application (.40); reviewed and revised int. fee application (3.70); reviewed and revised statement of fees and disb. (1.50); prepared dist. of int. fee application (1.70).	7.30
02/26/98	GUILBERT	Prepared documents for translation into PDF format (.30); prepare service list (.30).	.60
02/26/98	PRFRDR	Full read Professionals Rates for R. Guilbert	3.00
02/27/98	GUILBERT	Reviewed and revised monthly fees and disb doc. converted into Word document format (3.2); prepared distribution of int. fee application (1.40).	4.60
02/27/98	PRFRDR	Checked revisions on Statements of Fees and Disb. for R. Guilbert	.20
02/27/98	PRFRDR	Checked revisions on Statements of Fees and Disb. for R. Guilbert	1.00
TOTAL FOR SERVICES			----- 35.40

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 3

February, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
RG	GUILBERT-R	104.00	28.70	2,984.80
PR	PRFRDR	76.00	6.70	509.20
			-----	-----
	TOTAL		35.40	\$ 3,494.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 1

February, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
02/06/98	BRYAN	Phone call w/ C. Joyce re: Norton Rose comments and schedule (.30)	.30
02/08/98	BRYAN	Review Norton Rose comments and mark-up Castle Agreement (1.0)	1.00
02/08/98	PRFRDR	Checked revisions on Agreement for D. Bryan	2.00
02/08/98	PRFRDR	Checked revisions on Share Purchase Agreement for D. Bryan	1.00
02/09/98	BRYAN	Proof revised agreement and distribute (1.30); phone call w/ J. Beresford re Castle (.20)	1.50
02/10/98	BRYAN	Review NR comments and markup Castle Agreement (1.20); phone calls w/ J. Beresford re Castle Agmt. (.50); review Disclosure Schedule and comment (.80)	2.50
02/10/98	PRFRDR	Checked revisions on Agreement for D. Bryan	.50
02/10/98	PRFRDR	Checked revisions on Purchase Agreement for D. Bryan	.50
02/10/98	PRFRDR	Checked revisions on Agreement for D. Bryan	.20
02/11/98	BRYAN	Mark-up revised disclosure schedule (.70); review NR comments and revise agmt (1.30)	2.00
02/11/98	PRFRDR	Checked revisions on Agreement for D. Bryan	1.30

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 2

February, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
02/12/98	BRYAN	Revise agreement and resend (.70); review comments of NR (.30)	1.00
02/13/98	BRYAN	Conf. call w/ C. Joyce, J. Beresford, S. Zelin re Castle agreement and schedules (1.30); phone call w/ C. Joyce re Castle agreement (0.30); revise Castle agreement and distribute (1.40)	3.00
02/13/98	PRFRDR	Checked revisions on Letter and full read labels for D. Bryan	.20
02/17/98	BRYAN	Phone call w/ J. Beresford re Castle agreement (.30)	.30
02/17/98	BRYAN	Phone call w/ K. Emigholz re HSR Act (.30)	.30
02/19/98	BRYAN	Phone call w/ J. Beresford re: Castle Agreement (.20); revise Section 3.12 and fax (.30)	.50
02/27/98	GREENE	Conf. w/Bryan re Castle sale process	1.00
TOTAL FOR SERVICES			----- 19.10

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 3

February, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE-S	496.00	1.00	496.00
DMB	BRYAN-D	264.00	12.40	3,273.60
PR	PRFRDR	76.00	5.70	433.20
			-----	-----
	TOTAL		19.10	\$ 4,202.80

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD
PAGE 1

February, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
02/23/98	BRYAN	Prepare first draft Purchase Agreement.	2.00
02/23/98	PRFRDR	Checked revisions on Purchase Agreement for D. Bryan.	.50
02/24/98	BRYAN	Revise draft agreement and distribute w/cover letter (1.0); phone call w/S. Greene re: Concord Sale (.20); phone call w/ C. Joyce re: Concord sale (.30); phone call w/F. Huffard re: Concord sale (.50).	2.00
02/25/98	BRYAN	Conf. call with C. Joyce, F. Huffard re: Purchase Agreement (1.0); revise Purchase Agreement (.50); prepare draft schedules (2.0).	4.50
02/25/98	PRFRDR	Full read Letter and checked revisions on Purchase Agreement for D. Bryan.	.50
02/25/98	PRFRDR	Distribution for D. Bryan.	1.00
02/26/98	VANHOVE	Conf. w/R. Reinhold concerning tax issues related to share purchase agreement tax provisions.	.50
02/26/98	REINHOLD	Conf. w/J. Van Hove concerning tax issues related to share purchase agreement tax provisions.	.50
02/26/98	PRFRDR	Full read Schedule for D. Bryan.	.50

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD
PAGE 2

February, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
02/27/98	BRYAN	Phone call w/F. Huffard re: Purchase Agreement.	.50
02/27/98	VANHOVE	Conf. w/Reinhold re draft of stock purchase agreement tax provisions (.50); prepare riders to same concerning tax issues (1.00).	1.50
02/27/98	REINHOLD	Conf. w/J. Van Hove re contract.	.50
	TOTAL FOR SERVICES		----- 14.50

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD
PAGE 3

February, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
RR	REINHOLD-R	496.00	1.00	496.00
DB	BRYAN-D	264.00	9.00	2,376.00
JV	VANHOVE-J	264.00	2.00	528.00
PR	PRFRDR	76.00	2.50	190.00
			-----	-----
	TOTAL		14.50	\$ 3,590.00

Alliance Entertainment
Disbursement Summary
February 1998

Xeroxing	707.00
Lexis and Database Charges	42.74
Telephone Charges	56.28
Rapifax	559.00
Local Transportation	267.48
Messenger Services	32.00
Word Processing	2,856.00
Data Bank Research (PACER)	<u>.60</u>
	\$ 4,521.10

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL

February, 1998

<u>DISBURSMENTS AND CHARGES</u>	<u>AMOUNT</u>
Data Bank Research (PACER)	.60
Xeroxing	23.70
Lexis and Database Charges	42.74
Telephone Charges	7.91
Local Transportation	267.48
Rapifax	97.50
Messenger Services	16.00
Word Processing - N.Y.	714.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 1,169.93

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION

February, 1998

<u>DISBURSMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	209.10
Rapifax	37.50

TOTAL DISBURSEMENTS AND CHARGES	\$ 246.60

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION

February, 1998

<u>DISBURSMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	301.10
Messenger Services	16.00
Word Processing - N.Y.	1,358.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 1,675.10

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE

February, 1998

<u>DISBURSMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	122.25
Telephone Charges	48.37
Rapifax	175.00
Word Processing - N.Y.	588.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 933.62

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD

February, 1998

<u>DISBURSMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	50.85
Rapifax	249.00
Word Processing	196.00

TOTAL DISBURSEMENTS AND CHARGES	\$ 495.85

List of Professionals, Rates and Aggregate Hours
March 1998

<u>Name</u>	<u>Position</u>	<u>Rate</u>	<u>Aggregate Hours</u>	<u>Total Fees</u>
Greene, Stephen A.	Partner	496	38.50	19,096.00
Reinhold, Richard L.	Partner	496	.50	248.00
Cantor, Daniel	Associate	364	2.00	728.00
Bryan, Donna M.	Associate	264	13.10	3,458.40
VanHove, Jeffrey	Associate	264	2.70	712.80
Khadavi, Steven	Associate	212	6.70	1,420.40
Fitzgerald, David	Law Clerk	188	20.20	3,797.60
Azulay, Agnelo	Director of Cor- porate Research	232	1.50	348.00
Marcantonio, Nicho- las J.	Deputy Managing Attorney	168	.20	33.60
Ahmad, Abdul	Paralegal	92	1.50	138.00
Davenport, Margaret	Head Librarian	96	.20	19.20
Murphy, Helen	Paralegal	156	3.00	468.00
Gioia, Francine	Paralegal	156	3.50	546.00
Guilbert, Rebecca	Paralegal	104	13.90	1,445.60
Hinds, Antoinette	Paralegal	76	1.50	114.00
Karasz, Valerie	Paralegal	76	4.40	334.40
Westbrook, Christine	Paralegal	76	1.40	106.40
Bizik, Michael	Paralegal	76	.20	15.20
Proofreaders	Paraprofessionals	76	18.00	1,368.00
			<hr/> 133.00	<hr/> \$34,397.60

March, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/03/98	GREENE	Tel.c. w/Weisman re Reorganization Plan (1.0); tel.c. w/Ziebold re Transaction Committee (0.5); tel.c. w/Joyce re Transaction Committee (1.0).	2.50
03/04/98	GREENE	Tel.c. w/Trepper re Transaction Committee (0.50); tel.c. w/Marakovitz re Transaction Committee (1.0); tel.c. w/Joyce re Transaction Committee (1.0).	2.50
03/05/98	GREENE	Alliance Board Meeting at Willkie Farr.	5.00
03/05/98	KHADAVI	Tel. c. w/C. Joyce re: letter to SEC (.30); drafting letter to SEC re: '34 act relief (.70).	1.00
03/06/98	BIZIK	Made SEC filing for S. Khadavi.	.20
03/11/98	GREENE	Tel.c. w/Joyce re Transaction Committee (0.5); tel.c. w/Terry Savage re Transaction Committee (1.0).	1.50
03/18/98	GREENE	Tel.c. w/Joyce re reorganization plan (1.0).	1.00
03/24/98	GREENE	Tel.c. w/David Hawthorne re 1934 Act filings (1.0); tel.c. w/Joyce re 1934 Act filings.	3.00
03/24/98	KHADAVI	Tel. c's. with C. Joyce and SEC re '34 Act reporting requirements.	.50
03/25/98	AZULAY	For Greene computer research & examples re: 10K filed by issuer in bankruptcy & examples for Forms 10's re: issue registering securities to exist Bankruptcy.	1.50

March, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/25/98	GREENE	Tel.conf. w/Chris Joyce and Muslima Lewis re Form 10-K (2.0).	2.00
03/25/98	DAVENPORT	Assisting Mr. Greene in obtaining law review article from Lexis. (1983 U.Ill.L.Rev. 861)	.20
03/26/98	GREENE	Tel.c. w/Weisman re Agenda for Board Meeting (1.0); tel.c. w/Lewis re SEC no actions request (1.0).	2.00
03/26/98	KHADAVI	Preparing Form 12b-25 (.50); tel. c. w/C. Joyce re: '34 Act reporting (.50); tel. c. w/M. Lewis re: Form 12b-25 (.50).	1.50
03/27/98	GREENE	Tel.c. w/Trepper re confidentiality letters (1.0); conf. tel.c. w/ Lewis, Joyce, Kathy Dixson (SEC), Khadavi re 10-K filings (2.0); tel.c. w/Veach re 10Q and 10K filings (0.5).	3.50
03/27/98	KHADAVI	Conf. call with C. Joyce and SEC re: '34 Act reporting (.70); drafting letter to SEC re: '34 Act reporting (1.0).	1.70
03/29/98	KHADAVI	Revising letter to SEC re: '34 Act reporting.	.50
03/29/98	PRFRDR	Distribution for S. Khadavi	.20
03/29/98	PRFRDR	Full read Memorandum and checked revisions on Letter for S. Khadavi	1.00
03/30/98	KHADAVI	Tel. c's. with S. Greene and M. Lewis re '34 Act reporting (.50); revising letter to SEC re '34 Act reporting (1.0).	1.50

March, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/31/98	GREENE	Meeting with Weisman re agenda for Transaction Committee (2.0); meeting at Willkie w/Blackstone re Report to Transaction Committee (2.0).	4.00
03/31/98	PRFRDR	Full read Letter for S. Greene	.20
		TOTAL FOR SERVICES	<hr/> 37.00

March, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	27.00	13,392.00
SK	KHADAVI, S	212.00	6.70	1,420.40
AA	AZULAY, A	232.00	1.50	348.00
MB	BIZIK, M	76.00	.20	15.20
MD	DAVENPORT, M	96.00	.20	19.20
PR	PRFRDR	76.00	1.40	106.40
	TOTAL		37.00	\$ 15,301.20

March, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/02/98	MARCANTONIO	Diariied motion hearing date and last day to file responses.	.20
03/19/98	CANTOR	Attend Ct. hearing re CMC settlement (1.7); tel. c. w/ Hayes re same (.1); letter to Hayes re same (.2)	2.00
03/31/98	AHMAD	Served Response of Cahill Gordon & Reindel on 1) Willkie Farr and 2) Schulte Roth & Zabel for Ms. Guilbert.	1.50
TOTAL FOR SERVICES			<hr/> 3.70

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION
PAGE 2

March, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
DLC	CANTOR, D	364.00	2.00	728.00
AA	AHMAD, A	92.00	1.50	138.00
NJM	MARCANTONIO, N	168.00	.20	33.60
	TOTAL		3.70	\$ 899.60

March, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/02/98	GUILBERT	Conferences w/ Korpus re filing of interim fee application (.40); conferences w/ Managing Attorney's office re same (.50); conferences w/ Computer Systems Group re same (.40); reviewed and revised Int. fee application conversion to PDF format (.90).	2.20
03/02/98	MURPHY	Prepared, revised and filed bankruptcy filing for R. Guilbert (S Greene, M. Korpus and B. Cawthra).	3.00
03/13/98	PRFRDR	Checked revisions on Statement for R. Guilbert	.50
03/13/98	PRFRDR	Checked revisions on Statement for R. Guilbert	1.50
03/16/98	PRFRDR	Checked revisions on Statement for R. Guilbert	.50
03/17/98	GUILBERT	Reviewed and revised Statement of fees and disb.	3.70
03/17/98	PRFRDR	Checked revisions on Statement for R. Guilbert	.20
03/19/98	GUILBERT	Reviewed and revised statement of fees and disbursements (5.20); conf. w/ Korpus re same (.20).	5.40
03/19/98	PRFRDR	Checked revisions on Statement for R. Guilbert	.50
03/20/98	GUILBERT	Prepared distribution of statement of fees and disb.	2.60
TOTAL FOR SERVICES			20.10

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 2

March, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
HM	MURPHY, H	156.00	3.00	468.00
RG	GUILBERT, R	104.00	13.90	1,445.60
PR	PRFRDR	76.00	3.20	243.20
	TOTAL		20.10	\$ 2,156.80

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 1

March, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/09/98	GREENE	Tel.c. w/Joyce re purchase agree- ment (0.5).	.50
03/11/98	GREENE	Tel.c. w/Flip Hufford (Blackstone Group) re Purchase Agreement (0.5).	.50
03/13/98	GREENE	Tel.c. w/Zellin (Blackstone Group) re disclosure statement (2.0).	2.00
		TOTAL FOR SERVICES	<hr/> 3.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 2

March, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	3.00	1,488.00
	TOTAL		3.00	\$ 1,488.00

March, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/01/98	VANHOVE	Review draft of stock purchase agreement (.60); edit and supplement same with respect to tax-related provisions (.80); draft tax related provisions for same (.60).	2.00
03/03/98	KARASZ	Phone conversations with Donna Bryan re: Joe Kaplan and documents to be set up for diligence (.10); Phone conversations with Joe Kaplan re: diligence documents and appointments and what needs to be done in preparation for diligence sessions (.20).	.30
03/03/98	VANHOVE	Conference with Mr. Reinhold regarding draft of stock purchase agreement	.50
03/03/98	REINHOLD	Conf. w/J. Van Hove re contract.	.50
03/03/98	BRYAN	Review Willkie Farr comments, check precedent and revise agreement per comments from Willkie Farr to add escrow provision, etc. (3.0); phone call w/C. Joyce re: purchase agreement (.20); phone call w/F. Huffard re: purchase agreement (.30).	3.50
03/03/98	PRFRDR	Checked revisions on Purchase Agreement for D. Bryan	1.00
03/03/98	PRFRDR	Checked revisions on Agreement for D. Bryan	.50
03/04/98	KARASZ	Reviewed documents and set up conference room for due diligence sessions (.30); tel. convs. with Kaplan & Bryan re: due diligence scheduling (.10).	.40
03/04/98	VANHOVE	Research tax issues related to prepetition deficiencies and affili-	.20

March, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		ated group liability.	
03/04/98	BRYAN	Phone call w/Flip Huffard re: purchase agreement(.20); revise agreement (.50).	.70
03/05/98	FITZGERALD	Preliminary conference w/D. Bryan about the deal (.40); preliminary review of offering documents (.10).	.50
03/05/98	FITZGERALD	Review of all corporate documents of Concord focusing on material contracts with various artists.	5.00
03/05/98	BRYAN	Meeting w/D. Fitzgerald re: Concord due diligence (.40); phone call w/D. Fitzgerald re: Concord due diligence (.30).	.70
03/06/98	KARASZ	Set J. Kaplan and C. Long up in conference room (.80); periodically checked on due diligence session (1.00); phone convs. with D. Bryan re: diligence session (.40); arranged for paralegal to stay late and explained billing process and situation to her (.70).	2.90
03/06/98	HINDS	Supervising due diligence session with Joe Kaplan and Chris Long.	1.50
03/09/98	KARASZ	Assisted Joe Kaplan in diligence conf. room (.30); phone convs. with Kaplan and D. Bryan re: scheduling diligence sessions (.20).	.50
03/10/98	FITZGERALD	Ordered certificates of good standing (.10), draft of schedules to the purchase agreement (.90).	1.00
03/10/98	FITZGERALD	Draft of schedule to the purchase agreement	.50
03/10/98	GREENE	Tel.c. w/Hufford re disclosure statement (1.0).	1.00

March, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/10/98	PRFRDR	Checked revisions on Disclosure Schedule for D. Fitzgerald	3.30
03/10/98	PRFRDR	Checked revisions on Disclosure Schedule for D. Fitzgerald.	2.00
03/11/98	FITZGERALD	Preparing the disclosure schedule for distribution.	3.50
03/12/98	FITZGERALD	Distribution of the disclosure schedule	1.50
03/12/98	FITZGERALD	Distribution of the disclosure schedule	.70
03/17/98	FITZGERALD	Update of the disclosure schedule	1.50
03/17/98	GREENE	Conf. w/Joyce re Concord Sale Agreement (1.0).	1.00
03/17/98	BRYAN	Phone call w/ D. Fitzgerald re: Concord due diligence (.20); mtg. w/ C. Joyce re: purchase agreement (.60); conf. call w/ C. Joyce & G. Barros re schedules to purchase agreement (.40); revise schedules and purchase agreement (1.80)	3.00
03/17/98	PRFRDR	Checked revisions on Disclosure Schedule and Purchase Agreement for D. Bryan	.70
03/18/98	BRYAN	Revise schedules re trademarks (.80); phone call w/ c. Joyce re: schedules agreement (.20)	1.00
03/18/98	PRFRDR	Checked revisions on Schedule for D. Bryan	.20
03/19/98	KARASZ	Briefed C. Westbrook on what to do for diligence sessions (.30); phone convs. with J. Kaplan re: diligence sessions (.10).	.30

March, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/19/98	GREENE	Tel.c. w/Flip Huffard re Purchase Contract (.50).	.50
03/19/98	PRFRDR	Checked revisions on Disclosure Schedule for D. Bryan	.80
03/20/98	BRYAN	Phone call w/ F. Huffard re: purchase agreement (.20); proof changes to schedules (.20); phone call w/ M. Lewis re: trademarks (.50)	.90
03/22/98	BRYAN	Cover letter to F. Huffard and send schedules (.50)	.50
03/22/98	PRFRDR	Distribution for D. Bryan	1.00
03/22/98	PRFRDR	Checked revisions on Memorandum for D. Bryan	1.00
03/23/98	GREENE	Tel.conf. w/Matt Feldman and Flip Huffard re Concord sale process (0.5); tel.c. w/Chris Joyce re Concord sale (1.00).	1.50
03/25/98	WESTBROOK	Met w/ Joe Kaplan to review files in data rm. (.10); arranged for legal asst. to stay in conf. ctr. after hours (.10); set up docs. in data rm. (.10).	.30
03/25/98	BRYAN	Phone call w/ F. Huffard re comments on schedules (.50); conf. call w/ F. Huffard, C. Joyce, M. Lewis, J. Drewson re: schedules (.50); revise schedules and proof (.50); prepare cover letters and distribute purchase agreement to bidders (1.0)	2.50
03/25/98	GIOIA	Assisted people in conf. room reviewing docs.	3.50
03/25/98	PRFRDR	Distribution and checked revisions on Memorandum for D. Bryan	.50

March, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/25/98	PRFRDR	Distribution for D. Bryan	.70
03/25/98	PRFRDR	Distribution for D. Bryan	.50
03/25/98	PRFRDR	Full read Memorandum for D. Bryan	.20
03/25/98	PRFRDR	Distribution for D. Bryan.	1.00
03/26/98	FITZGERALD	Due diligence on material artist contracts	4.00
03/26/98	WESTBROOK	Arranged documents for photocopying (1.0); set up documents in data room (.10).	1.10
03/26/98	GREENE	Tel.c. w/Flip Hufford re form of sale (1.0).	1.00
03/27/98	FITZGERALD	Continued due diligence on material artist contracts	2.00
03/27/98	GREENE	Tel.c. w/Flip Huffard re Concord (1.0).	1.00
03/30/98	GREENE	Meeting w/Hufford (Blackstone Group) re sale contract (2.5).	2.50
03/30/98	BRYAN	Phone call w/ F. Huffard re Alliance Ventures Inc. (.30)	.30
		TOTAL FOR SERVICES	69.20

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	8.50	4,216.00
RR	REINHOLD, R	496.00	.50	248.00
DMB	BRYAN, D	264.00	13.10	3,458.40
JV	VANHOVE, J	264.00	2.70	712.80
AH	HINDS, A	76.00	1.50	114.00
FG	GIOIA, F	156.00	3.50	546.00
VK	KARASZ, V	76.00	4.40	334.40
CW	WESTBROOK, C	76.00	1.40	106.40
DLF	FITZGERALD, D	188.00	20.20	3,797.60
PR	PRFRDR	76.00	13.40	1,018.40
	TOTAL		69.20	\$ 14,552.00

Alliance Entertainment
Disbursement Summary
March 1998

Xeroxing	558.75
Local Transportation	645.44
Postage	15.64
Telephone Charges	54.59
Rapifax	167.50
Westlaw Searches	31.40
Messenger Services	96.00
Word Processing	2,144.40
	<hr/>
	\$3,713.72

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL

March, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	37.80
Postage	.64
Telephone Charges	24.74
Local Transportation	296.04
Rapifax	78.75
Messenger Services	16.00
Word Processing	294.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$747.97

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION

March, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Postage	15.00
Local Transportation	88.72
Messenger Services	16.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$119.72

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION

March, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	54.60
Telephone Charges	.78
Local Transportation	100.22
Exhibit Tabs	2.40
Messenger Services	48.00
Word Processing	448.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$654.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE

March, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Local Transportation	44.36
Rapifax	32.50
Word Processing	56.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$132.86

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD

March, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	466.35
Telephone Charges	29.07
Local Transportation	116.10
Rapifax	56.25
Westlaw Searches	31.40
Messenger Services	16.00
Word Processing	1,344.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$2,059.17

List of Professionals, Rates and Aggregate Hours
April 1998

<u>Name</u>	<u>Position</u>	<u>Rate</u>	<u>Aggregate Hours</u>	<u>Total Fees</u>
Greene, Stephen A.	Partner	496	35.00	\$17,360.00
Reinhold, Richard L.	Partner	496	.80	396.80
Cantor, Daniel	Associate	364	.40	145.60
Rosen, Andrew H.	Associate	364	.90	327.60
Bryan, Donna M.	Associate	264	3.00	792.00
Shuman, Robert D.	Associate	196	55.60	10,897.60
Azulay, Agnelo	Director of Corporate Research	232	.70	162.40
Guilbert, Rebecca	Paralegal	104	11.60	1,206.40
Proofreaders	Paraprofessionals	76	<u>13.40</u>	<u>1,018.40</u>
			121.40	\$32,306.80

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 1

April, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
04/01/98	GREENE	Tel.c. w/Joyce re convertible preferred (1.5); tel.c. w/Steve Ely re stock transfers (0.5).	2.00
04/02/98	GREENE	Transaction Committee at Willkie Farr (3.0); tel.cs. w/ Musilima Lewis re minutes of meeting (1.0).	4.00
04/07/98	GREENE	Tel.conf. call w/Weisman re Reorganization Plan (1.0).	1.00
04/17/98	GREENE	Conf. call w/Weisman re Plan of Reorganization.	1.00
04/22/98	GREENE	Tel.c. w/Weisman re Plan of Reorganization (1.0).	1.00
04/27/98	ROSEN	Reviewed materials sent re Blackstone Acquisition	.90
		TOTAL FOR SERVICES	<hr/> 9.90

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 2

April, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	9.00	4,464.00
AR	ROSEN, A	364.00	.90	327.60
	TOTAL		9.90	\$ 4,791.60

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION
PAGE 1

April, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
04/10/98	CANTOR	Tel. c. w/ Joyce re CMC settlement (.2); telc w/ Hayes re same (.2)	.40
		TOTAL FOR SERVICES	<hr/> .40

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION
PAGE 2

April, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
DLC	CANTOR, D	364.00	.40	145.60
	TOTAL		.40	\$ 145.60

April, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
04/03/98	GUILBERT	Conf. w/ M. Korpus re: Second Interim Fee application.	.50
04/07/98	GUILBERT	Placed calls to lawyers/paraprofessional re: all time on matters.	.40
04/09/98	GUILBERT	Prepared memos to attys re: March fee and disb. submission; (.80); reviewed and revised March fee and disb submission (1.9); prepared atty. and disb. lists (1.40).	4.10
04/09/98	PRFRDR	Checked revisions on Statement of Fees & Disb. for R. Guilbert	1.00
04/13/98	GUILBERT	Reviewed and revised March statement of fees and disb.	2.30
04/14/98	PRFRDR	Checked revisions on List of Professionals for R. Guilbert	1.00
04/15/98	GUILBERT	Conf. w/ Mr. Korpus re March statement of fees and disb. (.60); reviewed and revised statement of fees and disb (.80).	1.40
04/15/98	PRFRDR	Checked revisions on List for R. Guilbert	.50
04/16/98	GUILBERT	Reviewed and revised March statement of fees and disb.	.90
04/16/98	PRFRDR	Checked revisions on Statement for R. Guilbert	1.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 2

April, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
04/17/98	GUILBERT	Revised March Statement of Fees and Disbursements(.80); conf. w/ D. Fitzgerald re time (.20).	1.00
04/17/98	PRFRDR	Checked revisions on Statement of Fees for R. Guilbert	.50
04/20/98	GUILBERT	Reviewed March Statement of Fees and Disbursements (.40); prepared same for distribution (.60).	1.00
04/28/98	PRFRDR	Full read Findings of Fact for R. Guilbert	.70
		TOTAL FOR SERVICES	<hr/> 16.30

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 3

April, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
RG	GUILBERT, R	104.00	11.60	1,206.40
PR	PRFRDR	76.00	4.70	357.20
	TOTAL		16.30	\$ 1,563.60

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 1

April, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
04/03/98	GREENE	Conf. at Willkie Farr w/Jerry Uzzi re procedures for Castle sale.	2.00
04/08/98	AZULAY	For Greene Asset Acquisition Agreement Samples.	.20
04/09/98	GREENE	Tel.c. w/Feldman re Castle Sale.	1.00
04/14/98	GREENE	Tel.c. w/Zelin re bidding procedures (1.0).	1.00
04/14/98	PRFRDR	Checked revisions on Agreement for D. Bryan	.50
04/15/98	GREENE	Tel.c. w/Uzzi re Castle Agreement (1.0).	1.00
04/27/98	REINHOLD	Rev. docs re UK disposition (.40); Tel. conf. w/Zelin re same (.40).	.80
		TOTAL FOR SERVICES	6.50

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 2

April, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	5.00	2,480.00
RR	REINHOLD, R	496.00	.80	396.80
AA	AZULAY, A	232.00	.20	46.40
PR	PRFRDR	76.00	.50	38.00
	TOTAL		6.50	\$ 2,961.20

April, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
04/08/98	GREENE	Tel.c. w/Flip Huffard re Purchase Agreement (1.0); tel.c. w/Tim Coleman (Blackstone) re sale process (1.0).	2.00
04/08/98	SHUMAN	Conf. with Donna Bryan re Concord asset sale agreement (.30); Drafting of Form of Asset sale Agreement (7.7).	8.00
04/08/98	BRYAN	Phone call w/ S. Greene re concord agreement (.20); mtg. w/ R. Shuman re Concord asset sale agreement (.30)	.50
04/09/98	SHUMAN	Draft form of Asset Purchase Agreement and Disclosure Schedule (9.3); conf. with Donna Bryan re contract (1.0).	10.30
04/09/98	BRYAN	Read revised Concord contract and markup (1.40); mtg. w/ R. Shuman re contract (1.0); phone call w/ S. Greene re: contract, schedule, etc. (.10)	2.50
04/10/98	GREENE	Tel.c. w/Shuman re revisions to Sale Agreement (2.0).	2.00
04/10/98	SHUMAN	Draft form of Asset Purchase Agreement and Disclosure Schedule (1.0); conf. with Stephen Greene re revisions to Sale Agreement (2.0).	3.00
04/13/98	GREENE	Tel.c. w/Bryan re Purchase contract (0.5); tel.cs. w/Huffard	3.00

April, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		re Purchase Contract (2.0); tel.c. w/Huffard, Feldman, Lewis re Purchase Contract (0.5).	
04/13/98	SHUMAN	Conf. call with Steve Greene, Flip Huffard, Matt Feldman, Musilima Lewis re Purchase Contract (.50); Revise Asset Sale Agreement (3.0).	3.50
04/14/98	GREENE	Meeting w/Flip Haffard re revisions to Purchase Agreement (1.0).	1.00
04/14/98	SHUMAN	Revise and Distribute Form of Asset Sale Agreement.	1.20
04/15/98	SHUMAN	Tel. conf. with various participants re Concord Asset Sale (.8).	.80
04/21/98	GREENE	Meeting at Blackstone re Purchase Agreement.	3.00
04/21/98	SHUMAN	Conf. at Blackstone with 32 Records and with Blackstone re Purchase Agreement (4.0).	4.00
04/22/98	GREENE	Tel.c. w/Huffard re revisions to Purchase Agreement (1.0).	1.00
04/27/98	GREENE	Meeting at Blackstone w/Huffard re Concord Sale Contract.	5.00
04/27/98	SHUMAN	Drafting session at Blackstone re Purchase Agreement (5.0); draft Indemnity Escrow Agreement (2.0).	7.00
04/27/98	AZULAY	Computer research and examples of Indemnity Escrow Agreements for	.50

April, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		S. Greene.	
04/28/98	GREENE	Tel.c. w/Huffard re purchase agreement.	1.00
04/28/98	SHUMAN	Draft Indemnity Escrow Agreement (2.3); revise Asset Purchase Agreement (8.0).	10.30
04/28/98	PRFRDR	Full read Indemnity Escrow Agreement for R. Shuman	.50
04/28/98	PRFRDR	Full read Agreement for R. Shuman	3.00
04/28/98	PRFRDR	Checked revisions on Agreement for R. Shuman	.20
04/28/98	PRFRDR	Checked revisions on Purchase Agreement for R. Shuman	4.50
04/29/98	GREENE	Tel.c. w/Robert Shuman re Concord Agreement.	1.00
04/29/98	SHUMAN	Draft Indemnity Escrow Agreement.	3.00
04/30/98	GREENE	Conf. w/Shuman re Concord Agreement.	2.00
04/30/98	SHUMAN	Draft Asset Purchase Agreement (2.5); conf. with Steve Greene re Concord Agreement (2.0).	4.50
		TOTAL FOR SERVICES	88.30

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD
PAGE 4

April, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	21.00	10,416.00
DMB	BRYAN, D	264.00	3.00	792.00
AA	AZULAY, A	232.00	.50	116.00
RDS	SHUMAN, R	196.00	55.60	10,897.60
PR	PRFRDR	76.00	8.20	623.20
	TOTAL		88.30	\$ 22,844.80

Alliance Entertainment
Disbursement Summary
April 1998

Xeroxing	273.45
Courier Service	5.11
Lexis and Database Charges	638.51
Postage	13.95
Air Freight Delivery Charge	114.55
Telephone Charges	20.51
Document Charges	32.48
Local Transportation	412.60
Word Processing	1,392.45
Overtime Meals	55.65
Corporation Trust Co. - Corporate Services & Searches	460.33
Rapifax	197.50
Messenger Services	<u>170.50</u>
	\$3,787.59

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL

April, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	8.70
Courier Service	5.11
Lexis and Database Charges	426.58
Postage	2.24
Air Freight Delivery Charge	27.75
Telephone Charges	12.35
Document Charges	32.48
Local Transportation	269.64
Word Processing	<u>339.00</u>
TOTAL DISBURSEMENTS AND CHARGES	\$1,123.85

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL LITIGATION

April, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Postage	.96
Telephone Charges	<u>3.36</u>
TOTAL DISBURSEMENTS AND CHARGES	\$ 4.32

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION

April, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	43.95
Postage	10.75
Telephone Charges	.33
Exhibit Tabs	2.70
Messenger Services	32.00
Word Processing	<u>210.00</u>
TOTAL DISBURSEMENTS AND CHARGES	\$ 299.73

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE

April, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	40.80
Messenger Services	16.00
Word Processing	<u>294.00</u>
TOTAL DISBURSEMENTS AND CHARGES	\$ 350.80

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD

April, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	180.00
Lexis and Database Charges	211.93
Air Freight Delivery Charge	86.80
Telephone Charges	4.47
Corporation Trust Co. - Corporate Services & Searches	460.33
Local Transportation	142.96
Rapifax	197.50
Messenger Services	122.50
Overtime Meals	55.65
Word Processing	<u>546.75</u>
TOTAL DISBURSEMENTS AND CHARGES	\$2,008.89

List of Professionals, Rates and Aggregate Hours
May 1998

<u>Name</u>	<u>Position</u>	<u>Rate</u>	<u>Aggregate Hours</u>	<u>Total Fees</u>
Greene, Stephen A.	Partner	496	50.00	\$24,800.00
Reinhold, Richard L.	Partner	496	.50	248.00
Horowitz, Craig	Associate	468	.40	187.20
Bryan, Donna M.	Associate	264	41.30	10,903.20
Shuman, Robert D.	Associate	196	77.20	15,131.20
Natarajan, Kavita	Summer Associate	188	30.10	5,658.80
Azulay, Agnelo	Director of Corpo- rate Research	232	.50	116.00
Kowalsky, Joanne	Paralegal	124	2.00	248.00
Guilbert, Rebecca	Paralegal	104	59.30	6,167.20
Proofreaders	Paraprofessionals	76	<u>39.00</u>	<u>2,964.00</u>
			300.30	\$66,423.60

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 1

May, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/01/98	GREENE	Tel.c. BT re Plan of Reorganiza- tion (1.0); tel.conf. w/Ziebold re Plan of Reorganization (.50).	1.50
05/07/98	GREENE	Board Meeting at Willkie Farr (2.5); meeting with Blackstone re Plan of Reorganization (2.0).	4.50
05/12/98	GREENE	Tel.c. w/Feldman re Plan of Reor- ganization.	.50
05/19/98	GREENE	Board Meeting at Blackstone (2.0).	2.00
		TOTAL FOR SERVICES	<hr/> 8.50

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 2

May, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	8.50	4,216.00
	TOTAL		8.50	\$ 4,216.00

May, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/06/98	GUILBERT	Placed calls to attys/ paraprofessionals re time on mat- ters.	.50
05/08/98	GUILBERT	Reviewed Statement of Fees and Disb. in preparation for memos to attys. re revision in time (2.70); conf. w/ Facsimile Dept. re report on fax charges (.40); conf. w/ Billing Dept. re same (.40).	3.50
05/09/98	PRFRDR	Checked revisions on Bill for R. Guilbert.	1.00
05/11/98	GUILBERT	Prepared memo to attys re time (.90); revised and prepared Statement of Fees and Disb. (1.4); prepared atty and disb. lists (1.6); reviewed quarter disb. time re overtime meal ex- penses (.30); conf. w/ Acctg. Dept. re same (.20); prepared memo to atty/paraprofessional re overtime meal expenses (.30).	4.70
05/12/98	GUILBERT	Revised and prepared Third In- terim Fee application.	7.00
05/13/98	GUILBERT	Reviewed and revised Statement of Fees and Disb. (2.8); reviewed and revised Third Int. Fee Appl.(3.2)	6.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 2

May, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/13/98	PRFRDR	Checked revisions on Billing Statement for R. Guilbert.	.50
05/13/98	PRFRDR	Checked revisions on Application for R. Guilbert.	1.00
05/13/98	PRFRDR	Checked revisions on Bankruptcy Document for R. Guilbert	.50
05/14/98	GUILBERT	Reviewed and revised April Statement of Fees and Disbursements (1.6); reviewed and revised Third Int. Fee App.(1.4).	3.00
05/15/98	GUILBERT	Conf. w/ Mr. Shuman re: time (.80); revised April Statement of Fees and Disb. (1.60); revised Third Int. Fee App. (1.50).	3.90
05/15/98	PRFRDR	Checked revisions on Bills for R. Guilbert.	.70
05/18/98	GUILBERT	Reviewed and revised April Statement of Fees and Disb. (1.50); reviewed and revised Third Int. Fee App. (1.60); conf w/ Mr. Korpus re same (.80); reviewed files for verification of Corporation Trust disb. (.50); reviewed files to obtain Order Awarding Allowing Compensation and Reimbursement of Expenses (.60).	5.00
05/18/98	PRFRDR	Checked revisions on Memorandum for R. Guilbert.	1.00
05/18/98	PRFRDR	Checked revisions on List of Professionals, Rates and Hours for	1.00

May, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		R. Guilbert.	
05/19/98	GUILBERT	Revised April Statement of Fees and Disb. (3.70); revised Third Interim Fee App. (1.90); conf. w/ Mr. Korpus re same (.90).	6.50
05/19/98	PRFRDR	Checked revisions on List for R. Guilbert.	.30
05/20/98	GUILBERT	Reviewed and revised April Statement of Fees and Disb. (1.90); conf. w/ Mr. Korpus re same (.50); prepared distribution of same (3.90); conf. w/ Mr. Korpus re Third Int Fee App. (.20); revised same (.50).	7.00
05/21/98	GUILBERT	Reviewed and revised Third Interim Fee App. (4.60); conf. w/ Mr. Korpus re same (.40).	5.00
05/21/98	PRFRDR	Checked revisions on Application and Statement for R. Guilbert.	1.00
05/22/98	GUILBERT	Conf. w/ Mr. Korpus re Third Int. Fee App. (.40); reviewed and revised Third Int. Fee App. (1.60); prepared distribution of same (3.00).	5.00
05/26/98	GUILBERT	Organized documents in preparation of conf. w/ Ms. Kowalsky.	1.00
05/28/98	KOWALSKY	Conf. Rebecca Guilbert re preparation, filing and service of third fee application (.60); conf. w/ Helen Murphy re elec-	.90

May, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		tronic procedures for filing of fee application (.10); conf. w/ Marc Korpus re same (.10); tel. c. w/ Nathan Meyers (Wilkie Farr) re hearing date (.10)	
05/28/98	GUILBERT	Conf. w/ Ms. Kowalsky re electronic filing of Third Int. Fee. App. and preparation of April Statement of Fees and Disb (.60); conf. w/ Managing Attys office re preparation of Affidavit of Service (.20); conf. w/ Mr. Korpus re same (.20); conf. w/ Ms. Murphy re preparation of PDF format of Third Int. Fee App. (.20).	1.20
05/29/98	KOWALSKY	Tel. c. w/ Helen Murphy re electronic filing of Third Interim Fee Application (.10); tel. c. w/ Nathan Meyers (Wilkie Farr) re hearing date (.10); draft cover letter to Judge Lifland for courtesy copy of application (.20); prepared final application for signature of Mr. Greene and notarization of same (.70).	1.10
TOTAL FOR SERVICES			68.30

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 5

May, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
JK	KOWALSKY, J	124.00	2.00	248.00
RG	GUILBERT, R	104.00	59.30	6,167.20
JB	BRICKLIN, J	76.00	1.00	76.00
RF	FINNEGAN, R	76.00	2.50	190.00
SH	HALPERN, S	76.00	3.50	266.00
	TOTAL		68.30	\$ 6,947.20

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 1

May, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/04/98	GREENE	Tel.c. w/Feldman re Castle sale process (0.5); review draft of Plan of Reorganization and Disclosure schedule (3.0).	3.50
05/11/98	GREENE	Tel.cs. w/Feldman re Agreement (0.50); tel.cs. w/Zelin re Agreement (.50).	1.00
05/12/98	GREENE	Tel.c. w/Donna Bryan re sale agreement.	.50
05/13/98	BRYAN	Phone call w/ John Beresford re bankruptcy procedure (.30); prepare closing documents index (.40); phone call w/ M. Lewis re AEC stock certificates, etc. (.30).	1.00
05/14/98	NATARAJAN	Reviewing materials re closing of stock sale agreement (4.00); met with S. Greene to review status of stock purchase agreement (.80).	4.80
05/14/98	GREENE	Conf. call with Zelin re negotiation with Rutland (2.5); tel.c. w/Feldman re provisions in purchase agreement (0.5); conf. with Lewis re disclosure schedule, revise schedule (2.0).	5.00
05/14/98	REINHOLD	Tel. C. w/J. Challoner re Castle disposition (.30); I.L. re agree-	.50

May, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		ment regarding same (.20).	
05/14/98	BRYAN	Review Norton Rose mark-up (.50); phone call w/ S. Greene, M. Feldman re tax structure (.20); mtg. w/ S. Greene, R. Reinhold re tax issues (.30); revise Castle purchase agreement and distribute (1.5)	2.50
05/14/98	PRFRDR	Checked revisions on Purchase Agreement for D. Bryan.	1.00
05/14/98	PRFRDR	Checked revisions on Purchase Agreement for D. Bryan.	1.00
05/15/98	NATARAJAN	Reviewing marked stock sale agreement submitted by potential buyer	2.00
05/18/98	NATARAJAN	Reviewed revised draft of stock sale agreement.	1.00
05/18/98	GREENE	Review bidding proposals with Zelin.	3.00
05/19/98	NATARAJAN	Reviewing Rutland Group Offer and terms of other offers (2.00). Reviewing court order (.30).	2.30
05/19/98	GREENE	Revise draft purchase agreement (1.50); tel.conf. with Zelin re purchase agreement (.50).	2.00
05/20/98	NATARAJAN	Reviewed bidders' markups of Castle Purchase Agreement (2.00). Attended Negotiating session with Rutland Group (6.50).	8.50

May, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/20/98	GREENE	Meeting w/Weisman, Feldman, Hawthorne, Zelin, Bryan re Castle sale (5.00); tel.c. w/Fraumann re Henderson (.50).	5.50
05/20/98	BRYAN	Review bidders' markups of Castle purchase agreement and related term sheets (2.50); mtg. at Blackstone re Castle/Rutland (8.50).	11.00
05/21/98	NATARAJAN	Met with client to discuss strategies for bankruptcy auction (3.00). Attended bankruptcy auction (5.50). Negotiation session with the Rutland Group to address new terms in agreement (3.00).	11.50
05/21/98	GREENE	Conf. w/Matt Feldman, Weisman, Zelin, et al re Castle proposed sale (2.5); attend Bankruptcy Court hearing re Castle sale (5.0); tel.conf. Bryan re revisions to purchase agreement (0.50).	8.00
05/21/98	BRYAN	Mtg. at Cahill w/ working group re Castle/Rutland strategy (3.0); revise Castle Rutland agreement (2.0); bankruptcy court re Castle sale (3.0); mtg. at Cahill w/ Alliance, Rutland & Wilkie to finalize agreement (4.0); revise agreement & distribute (1.5).	13.50
05/21/98	PRFRDR	Full read Memo and checked revisions on Purchase Agreement, Dis-	3.50

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 4

May, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		closure and Documentation Schedules for D. Bryan.	
05/21/98	PRFRDR	Distribution for D. Bryan.	1.00
		TOTAL FOR SERVICES	<hr/> 93.60

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 5

May, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	28.50	14,136.00
RR	REINHOLD, R	496.00	.50	248.00
DMB	BRYAN, D	264.00	28.00	7,392.00
KN	NATARAJAN, K	188.00	30.10	5,658.80
DH	HEDGES, D	76.00	6.50	494.00
	TOTAL		93.60	\$ 27,928.80

May, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/01/98	GREENE	Redraft Purchase Agreement (1.5); tel.c. with Blackstone re agree- ment (0.5).	2.00
05/01/98	SHUMAN	Draft Purchase Agreement and Es- crow Agreement (11.50); calls with Proskauer and Alliance re: Purchase Agreement (.30).	11.80
05/01/98	PRFRDR	Checked revisions on Agreement for R. Shuman.	1.00
05/02/98	SHUMAN	Draft Asset Purchase Agreement.	2.50
05/03/98	PRFRDR	Checked revisions on Agreement for R. Shuman.	1.00
05/04/98	SHUMAN	Conf. with Donna Bryan, Glen Bar- ros and Musilima Lewis re: dis- closure schedules and Asset Sale.	1.00
05/04/98	BRYAN	Mtg. w/ S. Greene re Concord agreement (.30); mtg. w/ R. Shu- man re Concord agreement (.20); conf. call w/ M. Lewis, G. Barros re Cakewalk markup (.50); review Lewis memo and Barros memo (1.0); read Cakewalk comments and mark- up Concord Agreement (3.5).	5.50
05/05/98	BRYAN	Mark-up and revise Concord pur- chase agreement, indemnity agree- ment and schedules (5.80).	5.80
05/05/98	PRFRDR	Checked Revisions on 3 documents for D. Bryan	.50

May, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/06/98	GREENE	Tel.c. w/Flip Huffard re: Purchase Agreement (0.5); conf. w/Donna Bryan re: Purchase Agreement (0.5).	1.00
05/06/98	SHUMAN	Draft Purchase Agreement (3.20).	3.20
05/06/98	PRFRDR	Checked revisions on Schedules and Agreement for D. Bryan.	.50
05/06/98	PRFRDR	Checked revisions on Asset Purchase Agreement for D. Bryan.	1.50
05/08/98	GREENE	Tel.c. w/Huffard re Concord.	.50
05/08/98	SHUMAN	Drafting and distribute Agreements.	1.80
05/11/98	PRFRDR	Full read Distribution List for R. Shuman.	.50
05/12/98	SHUMAN	Distribute Agreements.	.20
05/13/98	GREENE	Revise Purchase Agreement.	2.00
05/13/98	SHUMAN	Conference with Donna Bryan and Steve Greene (.7); review Artist Agreements (1); distribute Draft Agreements (.3); call with Flip Hafford re: Purchase Agreement (.1); call to Bidder 1 re: Purchase Agreement (.1).	2.20
05/13/98	BRYAN	Review sample artist agreements (1.0); mtg. w/ S. Greene, R. Shuman re royalty obligations under artist agreements, etc. (1.0).	2.00
05/18/98	GREENE	Tel.c. w/Gary Papilsky (Sonnenshein) re purchase agreement.	1.00

May, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/19/98	GREENE	Tel.c. w/Huffard and Shuman re asset purchase agreement (1.0); tel.c. w/Fraumann re Henderson (0.5).	1.50
05/19/98	PRFRDR	Distribution for R. Shuman.	.70
05/20/98	SHUMAN	Calls with Blackstone & Bidder 2 re Asset Sale (.5); research re Employment and Severence Agreements (.5); review and revise Bidder 2's proposed Agreement (2).	3.00
05/21/98	SHUMAN	Conf. calls with Blackstone, Alliance and Concord (3.3) re: Purchase Agreement; Draft Asset Purchase Agreement (6).	9.30
05/22/98	SHUMAN	Draft Asset Purchase Agreement (6.5).	6.50
05/22/98	PRFRDR	Checked revisions on Purchase Agreement for R. Shuman.	2.00
05/22/98	PRFRDR	Checked revisions on Purchase Agreement for R. Shuman.	2.00
05/23/98	SHUMAN	Draft Asset Purchase Agreement (9).	9.00
05/23/98	PRFRDR	Checked revisions on Agreement for R. Shuman.	1.50
05/23/98	PRFRDR	Checked revisions on asset Purchase Agreement for R. Shuman.	3.50
05/23/98	PRFRDR	Full read Rider to Purchase Agreement for R. Shuman.	2.00
05/24/98	SHUMAN	Draft Asset Purchase Agreement.	1.50

May, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/24/98	PRFRDR	Checked revisions on Form of Asset Purchase Agreement for R. Shuman.	1.00
05/25/98	SHUMAN	Draft Deposit Escrow Agreement (2.8); Draft Asset Purchase Agreement (2); draft Indemnity Escrow Agreement (3.8).	8.60
05/26/98	GREENE	Review draft agreement from proposed bidder.	3.00
05/26/98	SHUMAN	Draft Asset Purchase Agreement (9.6); draft Hold-Back Escrow Agreement (1.9); draft Indemnity Escrow Agreement (1); draft Deposit Escrow Agreement (.4); calls with Blackstone re: Purchase Agreement (.7); Conference with Donna Bryan re: Purchase Agreement (.3); call with Willkie Farr re: Purchase Agreement (.2); draft memo and distribute Asset Purchase Agreement (.2); draft memo and distribute revised Asset Purchase Agreement (.2).	14.40
05/26/98	PRFRDR	Revisions to exhibits for R. Shuman.	1.00
05/26/98	PRFRDR	Checked revisions on Escrow Agreement for R. Shuman.	1.50
05/26/98	PRFRDR	Checked revisions on Asset Purchase Agreement for R. Shuman.	1.00
05/26/98	PRFRDR	Checked revisions on Hold Back Escrow Agreement for R. Shuman.	.50
05/26/98	PRFRDR	Checked revisions on Deposit Escrow Agreement for R. Shuman.	.30

May, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/26/98	PRFRDR	Full read of Agreement for R. Shuman.	.50
05/26/98	PRFRDR	Checked revisions on Agreement for R. Shuman.	.50
05/26/98	PRFRDR	Checked revisions on Asset Purchase Agreement for R. Shuman.	1.50
05/26/98	PRFRDR	Distribution for R. Shuman.	1.00
05/27/98	SHUMAN	Calls with Blackstone re: Asset Sale (.5); Draft Asset Purchase Agreement (.7); Revise all three Escrow Agreements (.8); calls to Alliance re: Asset Sale (.1); call to Willkie re: Escrow (.1).	2.20
05/27/98	AZULAY	For Shuman Transition Service Agreement Examples in Asset Sale context.	.50
05/28/98	GREENE	Conf. w/Huffard, Feldman, Uzzi, Shuman re negotiating purchase agreement.	2.00
05/28/98	HOROWITZ	Tel. c. R. Shuman re: purchase price allocations.	.40
		TOTAL FOR SERVICES	<hr/> 129.90

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD
PAGE 6

May, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	13.00	6,448.00
DMB	BRYAN, D	264.00	13.30	3,511.20
CMH	HOROWITZ, C	468.00	.40	187.20
RDS	SHUMAN, R	196.00	77.20	15,131.20
AA	AZULAY, A	232.00	.50	116.00
TB	BIBB, T	76.00	7.00	532.00
JB	BRICKLIN, J	76.00	2.00	152.00
RF	FINNEGAN, R	76.00	6.50	494.00
SH	HALPERN, S	76.00	2.00	152.00
DH	HEDGES, D	76.00	8.00	608.00
	TOTAL		129.90	\$ 27,331.60

Alliance Entertainment
Disbursement Summary
May 1998

Xeroxing	1,432.05
Data Bank Research (Dow Jones)	42.22
Postage	27.58
Air Freight Delivery Charge	32.30
Telephone Charges	115.98
Local Transportation	501.12
Word Processing	7,413.05
Overtime Meals	42.92
Luncheon Conferences	363.07
Rapifax	879.55
Messenger Services	<u>176.00</u>
	\$11,025.84

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL

May, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	117.45
Postage	1.83
Telephone Charges	3.79
Local Transportation	121.08
Rapifax	16.25
Word Processing	263.00
Data Bank Research	42.22
 	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$565.62

ALLIANCE ENTERTAINMENT CORP. (DIP)
DIP FINANCING

May, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	8.55
TOTAL DISBURSEMENTS AND CHARGES	<u>\$8.55</u>

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION

May, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	501.00
Postage	25.75
Exhibit Tabs	10.80
Messenger Services	80.00
Word Processing	1,316.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$1,933.55

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE

May, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	491.40
Air Freight Delivery Charge	17.35
Luncheon Conferences	363.07
Telephone Charges	100.48
Local Transportation	78.08
Rapifax	48.75
Messenger Services	32.00
Word Processing	1,526.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$ 2,657.13

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD

May, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	313.65
Air Freight Delivery Charge	14.95
Telephone Charges	11.71
Local Transportation	301.96
Rapifax	814.55
Messenger Services	64.00
Word Processing	4,297.25
Overtime Meals	42.92
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$5,860.99

LIST OF PROFESSIONALS, RATES AND AGGREGATE HOURS
JUNE 1998

<u>NAME</u>	<u>POSITION</u>	<u>RATE</u>	<u>AGGREGATE HOURS</u>	<u>TOTAL FEES</u>
Stephen A. Greene	Partner	496	45.00	22,320.00
Donna M. Bryan	Associate	264	27.00	7,128.00
Steven Khadavi	Associate	212	2.50	530.00
Robert D. Shuman	Associate	196	59.60	11,681.60
Barbara Brincefield	Research and Legislative Attorney	208	.20	41.60
Nicholas Marcantonio	Deputy Managing Attorney	168	1.00	168.00
Helen Murphy	Paralegal	156	1.70	265.20
Joanne Kowalsky	Paralegal	124	12.50	1,550.00
Abdul Ahmad	Paralegal	92	2.00	184.00
Kevin Wells	Paralegal	84	12.00	1,008.00
Michael Bizik	Paralegal	76	.50	38.00
Proofreaders	Para- professionals	76	19.70	1,497.20
			183.70	46,411.60

June, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
06/02/98	GREENE	Conf. call w/Trepper and Feldman re Creditor Committee investigation (1.0); tel.c. w/Musilima Lewis re stock transfer (1.0).	2.00
06/04/98	GREENE	Tel.c. w/Khadavi re filing of Exchange Act report (1.0).	1.00
06/04/98	KHADAVI	Tel.c. w/Greene re filing of Exchange Act report (1.0).	1.00
06/05/98	GREENE	Tel.c. w/George Wade (Shearman & Sterling) re transfer of shares (1.0).	1.00
06/08/98	GREENE	Conf. w/Peck, Feldman, Joyce re Creditor Committee Investigation (3.0).	3.00
06/09/98	GREENE	Meeting w/Eric Weisman re Plan of Reorganization (2.0).	2.00
06/10/98	GREENE	Tel.c. w/Feldman re Director release (0.50).	.50
06/12/98	GREENE	Tel.c. w/Khadavi re Exchange Act.	1.00
06/12/98	KHADAVI	Tel.c. w/Greene re filing of Exchange Act report (1.0).	1.00
06/16/98	KHADAVI	Drafting letter to SEC re '34 Act compliance.	.50
06/17/98	GREENE	Conf. w/Weisman re Plan of Reorganization.	2.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL CORPORATE
PAGE 2

June, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
06/18/98	GREENE	Telephonic Board Meeting (2.0), tel. cs. w/Weisman re Barnes & Noble Agreement (2.0); tel. c. w/Frauman re Barnes & Noble Agreement (0.5).	4.50
06/18/98	BIZIK	Made SEC filing for S. Khadavi.	.50
06/18/98	BRINCEFIELD	Arranging courtesy hand delivery to SEC (McConnell) for S. Khadavi.	.20
06/19/98	GREENE	Tel.c. w/Weisman re Plan of Reorganization (1.0).	1.00
06/25/98	GREENE	Conf. w/Eric Weisman re Plan of Reorganization.	2.00
06/26/98	GREENE	Tel.c. w/Brenda (Sitrick) re press release (1.0).	1.00
		TOTAL FOR SERVICES	<hr/> 24.20

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL CORPORATE
PAGE 3

June, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	21.00	10,416.00
SK	KHADAVI, S	212.00	2.50	530.00
BOB	BRINCEFIELD, B	208.00	.20	41.60
MB	BIZIK, M	76.00	.50	38.00
	TOTAL		24.20	\$ 11,025.60

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 1

June, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
06/01/98	KOWALSKY	Conf. w/ Korpus re revisions to and filing of third interim fee application (.30); revised, reviewed fee application (1.0); confs. w/ Helen Murphy re conversion of application to PDF format (.50); reviewed converted document (1.10); tel. c. Managing Attorney's office re service and electronic transmission to court (.20); oversaw electronic transfer (.30); prepared application for filing and service (1.10).	4.50
06/01/98	MARCANTONIO	Served fee application on Milban and U.S. Trustee, arranged for service by Federal Express, filed original in court and delivered courtesy copy to chambers.	1.00
06/01/98	MURPHY	Prepared, revised and filed Bankruptcy filing electronically for S. Greene.	1.70
06/02/98	AHMAD	Served Third Interim Application of CG&R Special Counsel to the Debtors for Allowance of Compensation and Reimbursement of Expenses on 1) Zalkin Rodin & Goodman 2) Schulte Roth 3) Willkie Farr & Gallagher for Mr. Korpus. (MH)	2.00
06/08/98	KOWALSKY	Tel.c's attorneys and	.50

June, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		paraprofessionals re: time on all matters.	
06/15/98	KOWALSKY	Prepared memos to attys. re: May fee and disbursement submission.	1.00
06/16/98	KOWALSKY	Prepared attorney and disbursement lists (1.60); revised May fee and disbursement submission (.40).	2.00
06/16/98	PRFRDR	Checked revisions on Billing Statements for J. Kowalsky.	.50
06/18/98	KOWALSKY	Conf. w/M. Korpus re: May statement of fees and disbs. (.30); reviewed and revised statement of fees and disb. and related charts (2.20).	2.50
06/18/98	PRFRDR	Checked revisions on Bill for J. Kowalsky.	.50
06/19/98	KOWALSKY	Reviewed and revised May statement of fees and disbs.	1.50
06/20/98	PRFRDR	Checked revisions on Statement of Fees for J. Kowalsky	1.00
06/20/98	PRFRDR	Checked revisions on Statement of Fees for J. Kowalsky.	1.00
06/21/98	PRFRDR	Ran revisions on memo for J. Kowalsky.	.50
06/21/98	PRFRDR	Checked revisions on Statement for J. Kowalsky.	.50
06/22/98	KOWALSKY	Prepared May Statement of Fees and Disbursements for	.50

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 3

June, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		distribution.	
06/22/98	PRFRDR	Made revisions to Bills for J. Kowalsky.	.50
06/29/98	PRFRDR	Full read of Service List for J. Kowalsky.	1.50
06/29/98	PRFRDR	Checked Labels (Addresses) for J. Kowalsky.	.20
		TOTAL FOR SERVICES	<hr/> 23.40

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 4

June, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
NJM	MARCANTONIO, N	168.00	1.00	168.00
HM	MURPHY, H	156.00	1.70	265.20
JK	KOWALSKY, J	124.00	12.50	1,550.00
AA	AHMAD, A	92.00	2.00	184.00
PR	PRFRDR	76.00	6.20	471.20
	TOTAL		23.40	\$ 2,638.40

June, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/26/98	BRYAN	Prepare and proof execution copy of Rutland Agreement and attachments and distribution cover letter (3.0).	3.00
06/01/98	GREENE	Tel.c. w/Feldman and Uzzi re Castle Agreement (0.50).	.50
06/10/98	GREENE	Preparation of conformed copies of Castle Agreement.	2.00
06/17/98	GREENE	Tel.c. w/Bryan re Castle Agreement (0.50).	.50
06/22/98	GREENE	Conf. Call w/Bryan, Shuman, Natarajan re Castle Agreement (1.5); review alternate bids (2.5).	4.00
06/22/98	SHUMAN	Conf. call w/Steve Greene, Donna Bryan, Eric Weismen, Tim Coleman re Sale of Shares.	1.50
06/22/98	BRYAN	Conf. call w/ S. Greene re Castle (.5).	.50
06/23/98	PRFRDR	Full read Share Purchase Agreement for K. Natarajan.	4.00
06/24/98	GREENE	Meeting w/Bryan, Shuman, Beresford, Natarajan re revised Castle Agreement (4.50); tel.c. w/Zelin re Castle Contract (0.5).	5.00
06/24/98	SHUMAN	Review and Comment on Share	2.00

June, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		Purchase Agreement with Corcoran-Fico Group.	
06/24/98	BRYAN	Mtg. w/ S. Greene, K. Natarajan re Castle/411 agreement (2.0).	2.00
06/24/98	BRYAN	Revise 411/Castle agreement (1.0); prepare cover letter and distribution (.50).	1.50
06/24/98	PRFRDR	Checked revisions on Share Purchase Agreement for D. Bryan.	1.00
06/24/98	PRFRDR	Checked revisions on Share Purchase Agreement for D. Bryan.	.50
06/25/98	GREENE	Attend Bankruptcy Court proceeding (2.0); tel.c. w/Bob DeLoren (CAK Universal Credit) re Rutland (1.0); tel.c. w/Brenda (Sitrick & Co.) re Press Release (1.0); Craft revisions to Agreement (3.0).	7.00
06/25/98	SHUMAN	Court hearing on Sale of AEC/Castle (3.5); Drafting of Final Documents for Sale (2.0).	5.50
06/25/98	BRYAN	Bankruptcy court re sale hearing (4.5).	4.50
06/25/98	BRYAN	Mtg. w/ J. Beresford, R. Shuman, K. Natarajan re amend/restate purchase agreement (2.0); proof & distribute w/ cover letter (1.0); revise index & distribute (.50).	3.50
06/26/98	WELLS	Assisted attorney with arranging docs for pre-closing (1.5); organized folders (1.0); created	3.00

June, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		labels from closing checklist (.5).	
06/26/98	SHUMAN	Prepare closing documents for Castle Sale.	12.00
06/26/98	BRYAN	Mtg. w/ K. Natarajan re closing documents (.50); various phone calls w/ R. Shuman etc. re closing mechanics (1.50).	2.00
06/26/98	BRYAN	Phone call w/ P. Dopsch re amended agmt (.30); phone call w/ S. Greene re Dopsch comments (.10); prepare amendment and distribute and wait for comments (2.6).	3.00
06/26/98	PRFRDR	Full read Officers' Certificate for S. Greene.	1.00
06/26/98	PRFRDR	Distribution for R. Shuman.	1.00
06/26/98	PRFRDR	Full read Release for K. Natarajan.	1.00
06/26/98	PRFRDR	Full read Riders for R. Shuman.	.50
06/28/98	SHUMAN	Prepare closing documents for Castle Sale.	.50
06/29/98	WELLS	Met with attorney to receive docs (2.0); organized docs into closing folders (.5); amended closing folders as docs were amended/deleted (.5).	3.00
06/29/98	GREENE	Tel. c. w/Shuman re closing.	1.00
06/29/98	SHUMAN	Prepare closing materials (9.70);	10.70

June, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		tel. c. w/Greene re closing (1.00)	
06/29/98	BRYAN	Review closing certificates (.2); phone calls w/ R. Shuman re closing etc. (.5); phone call w/ P. Dopsch, R. Shuman re closing index, etc. (.5); revise Amend No. 1 (.10); review Chase UK release (.20).	1.50
06/29/98	PRFRDR	Checked revisions on Amendment 1 for D. Bryan.	1.00
06/30/98	WELLS	Assisted with repeated editing of closing docs index (2.0); prepared for pre-closing (2.0); confs. with attorney for updates and to review and organize received docs (2.0).	6.00
06/30/98	SHUMAN	Prepare closing materials.	11.00
06/30/98	BRYAN	Phone call w/ R. Shuman re closing (.10); phone call w/ P. Dopsch re UK counsel comments (.5); phone call w/ M. Lewis re custom (.5); review comments of UK counsel on closing documents (.70); review Chase release (.30); revise amend No. 1 and distribute with cover letter (1.5); prepare status memo to S. Greene (1.0).	5.50
06/30/98	PRFRDR	Full read Memorandum for D. Bryan.	1.00
06/30/98	PRFRDR	Checked revisions on Closing Document Index for D. Bryan.	.20

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 5

June, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
06/30/98	PRFRDR	Full read Amendments for D. Bryan.	.30
06/30/98	PRFRDR	Full read Memorandum for D. Bryan.	1.00
		TOTAL FOR SERVICES	<hr/> 114.70

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 6

June, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	20.00	9,920.00
DMB	BRYAN, D	264.00	27.00	7,128.00
RDS	SHUMAN, R	196.00	43.20	8,467.20
KW	WELLS, K	84.00	12.00	1,008.00
PR	PRFRDR	76.00	12.50	950.00
	TOTAL		114.70	\$ 27,473.20

June, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
06/07/98	SHUMAN	Draft Asset Purchase Agreement.	10.50
06/07/98	PRFRDR	Checked revisions on Asset Purchase Agreement for R. Sharmar.	1.00
06/08/98	GREENE	Tel.conf. Shuman and Huffard re Concord acquisition (1.0).	1.00
06/08/98	SHUMAN	Conference call with Flip Hufford and Matt Feldman.	.50
06/09/98	SHUMAN	Revise Asset Purchase Agreement and distribute.	2.30
06/11/98	GREENE	Review revised draft of Concord Agreement (2.0).	2.00
06/12/98	SHUMAN	Draft Hold-Back Escrow Agreement (.5); Draft memo and distribute with Agreement in both hard copy and electronic form (.2).	.70
06/15/98	SHUMAN	Call with Bidder Number 2.	.40
06/16/98	SHUMAN	Call with Blackstone re Asset Sale (.2); Distribute Sale Agreements (.1).	.30
06/17/98	GREENE	Conf. w/Shuman re Concord Agreement (1.00).	1.00
06/17/98	SHUMAN	Conf. w/S. Greene re Concord (1.00).	1.00
06/29/98	SHUMAN	Draft and distribute to Bidder	.70

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD
PAGE 2

June, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		Number 3 Agreements re: Sale of Concord (.5); calls with Blackstone (.2).	
		TOTAL FOR SERVICES	<hr/> 21.40

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD
PAGE 3

June, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	4.00	1,984.00
RDS	SHUMAN, R	196.00	16.40	3,214.40
PR	PRFRDR	76.00	1.00	76.00
	TOTAL		21.40	\$ 5,274.40

ALLIANCE ENTERTAINMENT
DISBURSEMENT SUMMARY
JUNE 1998

	<u>TOTAL FEES</u>
Xeroxing	901.80
Local Transportation	800.68
Postage	.94
Air Freight Delivery Charge	64.30
Luncheon Conferences	10.40
Telephone Charges	25.30
Rapifax	743.75
Word Processing	2,803.90
Messenger Services	80.00
Velo Bind	5.00
Overtime Meals	53.42
	<hr/>
	\$5,489.49

ALLIANCE ENTERTAINMENT CORP. (DIP)
GENERAL CORPORATE

June, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	42.30
Local Transportation	12.00
Postage	.64
Air Freight Delivery Charge	13.15
Luncheon Conferences	10.40
Xeroxing - Washington	.30
Postage - Washington	.30
Telephone Charges	10.02
Local Transportation	42.02
Rapifax	32.50
Word Processing - NY	210.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$373.63

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION

June, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	138.45
Air Freight Delivery Charge	22.30
Exhibit Tabs	3.90
Messenger Services	48.00
Word Processing - NY	308.00
Local Transportation	9.00
Telephone Charges	.63
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$530.28

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE

June, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	671.25
Air Freight Delivery Charge	28.85
Telephone Charges	14.65
Local Transportation	550.14
Velo Bind	5.00
Rapifax	153.75
Messenger Services	32.00
Word Processing - NY	1,974.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$3,429.64

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD

June, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	49.50
Local Transportation	187.52
Rapifax	557.50
Word Processing - NY	308.00
Overtime Meals	53.42
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$1,155.94

LIST OF PROFESSIONALS, RATES AND
AND AGGREGATE HOURS

JULY 1998

<u>NAME</u>	<u>POSITION</u>	<u>RATE</u>	<u>AGGREGATE HOURS</u>	<u>TOTAL FEES</u>
Stephen A. Greene	Partner	496	25.00	12,400.00
Robert D. Shuman	Associate	196	80.50	15,778.00
Kavita Natarajan	Summer Associate	188	35.50	6,674.00
Rebecca Guilbert	Paralegal	104	6.40	665.60
Kevin Wells	Paralegal	84	10.20	856.80
Christine Westbrook	Paralegal	84	13.40	1,125.60
Proofreaders	Paraprofessionals	76	<u>3.00</u>	<u>228.00</u>
			174.00	\$37,728.00

July, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
07/09/98	GREENE	Tel.c. w/Feldman re Plan of Reorganization.	.50
07/28/98	GREENE	Tel.c. w/Weisman re Reorganization Plan.	1.00
07/29/98	GREENE	Conf. call w/Weisman and others re Plan of Reorganization (1.0); tel.c.w/Feldman re Reorganization Plan (0.5).	1.50
07/30/98	GREENE	Hearing at Court (2.0); conf. w/Weisman re Plan of Reorganization (1.0).	3.00
07/31/98	GREENE	Reviewed fax of press release from Sitrick.	1.00
		TOTAL FOR SERVICES	<hr/> 7.00

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 2

July, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	7.00	3,472.00
		TOTAL	7.00	\$ 3,472.00

July, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
07/07/98	GUILBERT	Placed calls to attys re: time on matters (.30); requested fax report (.10).	.40
07/13/98	WESTBROOK	Conf. w/ R. Guilbert re preparing June stmt of fees and disb. (1.0); reviewed and revised stmt of fees and disb. (1.9); prepared internal memos re time entries (.10); prepared disb. summary (1.0).	4.00
07/13/98	GUILBERT	Reviewed June fee and disb. submission (3.0); prepared fee list (1.0); conf w/ Ms. Westbrook re preparation of fee and disbursement submission (1.0).	5.00
07/13/98	PFRDR	Full read Billing Statements for C. Westbrook	2.50
07/14/98	WESTBROOK	Reviewed and revised stmt. of fees and disb. (2.7); prepared and distributed internal memos re time entries (.30).	3.00
07/15/98	WESTBROOK	Reviewed charges for fax service (.20); revised stmt. of fees and disb. (.50).	.70
07/15/98	PFRDR	Checked revisions on Bill for C. Westbrook.	.50
07/16/98	WESTBROOK	Reviewed and revised stmt. of fees and disb. (1.0); proofread changes to same (1.0); revised cover letter and memo to same	2.20

July, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		(.20).	
07/17/98	WESTBROOK	Prepared stmt. of fees and disb. (.50); conf. w/ Korpus re changes to same (.30); proofread changes to same (.20); revised memo to Alliance (.30); prepared and copied cover memo (.20).	1.50
07/20/98	WESTBROOK	Prepared and assembled stmt. of fees and disb. (.40); conf. w/ Korpus re changes to same (.20); prepared stmt. of fees and disb. for distribution (.40); conf. w/ Guilbert re preparing Fourth Int. Fee App. (1.0).	2.00
07/20/98	GUILBERT	Conference w/ Ms. Westbrook re preparation of Fourth Int. Fee App.	1.00
		TOTAL FOR SERVICES	<hr/> 22.80

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 3

July, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
RG	GUILBERT, R	104.00	6.40	665.60
CW	WESTBROOK, C	84.00	13.40	1,125.60
PF	PFRDR	76.00	<u>3.00</u>	<u>228.00</u>
	TOTAL		22.80	\$ 2,019.20

July, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
06/22/98	NATARAJAN	Conf. call w/S. Greene to discuss with Client and attorneys from Willkie Farr the terms proposed by a potential bidder (1.5); revised Purchase Agreement to reflect the comments made by potential bidder (2.0).	3.50
06/24/98	NATARAJAN	Proofread changes to Purchase Agreement marked to reflect comments of potential bidder (1.0); conf. w/S. Greene re proposed changes to agreement (2.0); revised schedule of closing documents (.50); proof read agreement (.50).	4.00
06/24/98	NATARAJAN	Conf. w/S. Greene re: revised Castle Agreement (2.0); met w/S. Greene to go over comments made by potential bidder (1.0); prepared closing memorandum.(1.5)	4.50
06/25/98	NATARAJAN	Attended Public Auction (3.0); attended negotiations with potential bidder (1.0); made revisions to Stock Purchase agreement (2.0); met with R. Shuman to discuss production of closing documents (1.0).	7.00

July, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
06/25/98	NATARAJAN	Attended bankruptcy auction (4.0); met with Purchaser's counsel to discuss revisions to agreement (1.0); met with UK Counsel to revise document (1.5); made changes to closing memo (.5).	7.00
06/26/98	NATARAJAN	Drafted closing documents (7.50); conference call w/UK Counsel re question with respect to which documents would be prepared by the UK firm (1.0); distribution (1.0)	9.50
07/01/98	SHUMAN	Calls w/Dopsch re closing (2.0); calls w/Beresford re closing (1.7); review and revise docs. prepared by Natarajan (2.0).	5.70
07/02/98	WELLS	Updated index and closing folders (.50); organized sig pages and faxes (.25); met with attorney (.50); Organized new officer's/Sect's Cert (.25).	1.50
07/02/98	SHUMAN	Conf. w/Wells re closing (.50); reviewed Deeds of Discharge (2.5); calls w/Beresford re closing (.4); calls w/Bank's counsel re closing (.2).	3.60
07/06/98	SHUMAN	Updated all closing docs. for rescheduled closing.	1.30
07/07/98	SHUMAN	Updated all closing docs. for rescheduled closing.	1.00
07/09/98	SHUMAN	Updated all closing docs. for rescheduled closing.	1.00

July, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
07/10/98	GREENE	Conf. w/Shuman and Uzzi re closing (1.0); tel. conf. w/Dopsch re purchase agreement	4.00
07/10/98	SHUMAN	Conf. w/S. Greene re closing (1.0); negotiated docs. for Castle sale w/ Dopsch (4.0); drafted closing docs. for Castle sale (2.0); tel. cs. w/ Beresford re closing (1.0); tel. cs. w/ Blackstone re closing (1.0).	9.00
07/11/98	WELLS	Conf. w/R. Shuman re updating closing docs. (1.0); prepared closing docs. (1.0).	2.00
07/11/98	SHUMAN	Conf. w/Wells re closing (1.0); reviewed Chase Releases (1.0).	2.00
07/12/98	SHUMAN	Tel. cs. w/Beresford re closing (.70); tel. cs. w/Blackstone re closing (.50); tel. cs. w/Dopsch re closing (1.5).	2.70
07/13/98	WELLS	Assisted R. Shuman with closing.	1.00
07/13/98	GREENE	Tel.c. w/Jerry Uzzi re Castle Sale Agreement (0.5); tel.c. w/Weisman re Castle sale (1.0).	1.50
07/13/98	SHUMAN	Conf. w/Wells re closing (1.0); tel. c. w/Wilkie Farr re closing (.50); tel. c. w/Alliance re closing (1.0); tel. cs. w/Dopsch re closing (2.5); tel. cs. w/Beresford re closing (2.0); updated closing docs. (1.0); reviewed Buyer's closing docs. (2.0); tel. cs. w/IBJ re escrow (.50); tel. cs. w/Banks' counsel re closing (.50).	11.00

July, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
07/14/98	GREENE	Tel.c. w/Feldman re sale (1.0); tel.c. w/Shuman re Castle sale (2.0); tel.cs. w/Jason (Milbank) re Castle Sale (1.0); tel.c. Weisman re sale (.5); revise notices and receipts (2.0).	6.50
07/14/98	SHUMAN	Tel. c. w/S. Greene re closing (2.0); tel. c. w/Wilkie Farr re closing (1.0); tel. c. w/Banks' Counsel re closing (1.0); tel. c. w/Alliance re closing (.5); tel. c. w/Beresford re closing (1.5); tel. c. w/Dopsch re closing (2.0); reviewed and commented on updated Deeds of Discharge and Bank Releases (2.0); updated closing docs. (1.0).	11.00
07/15/98	GREENE	Conf. call w/Coleman re sale Agreement (.5); tel.c. w/Peter Dopsch re sale Agreement (2.0); tel.c. w/Weisman re sale (1.0).	3.50
07/15/98	SHUMAN	Conf. c. w/Blackstone re closing (.50); tel. cs. w/Dopsch and Aaron re closing (2.0); tel. c. w/Alliance re closing (1.0); tel. cs. w/Beresford re closing (1.5); negotiated and drafted Fee Release Agreement (3.0).	8.00
07/16/98	SHUMAN	Tel. cs. w/ Dopsch and Aaron re closing (2.5); tel. cs. w/Beresford re closing (2.0); negotiated and reviewed closing docs. for Castle sale (4.0); revised Fee Letter (.5); updated closing docs. (1.0); tel. cs. w/ Blackstone re closing (.5).	10.50

July, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
07/17/98	GREENE	Tel.c. w/Coleman and Zelin re closing of Castle sale (0.5).	.50
07/17/98	SHUMAN	Tel. cs. w/Blackstone re closing (1.5); tel. cs. w/ Beresford re closing (1.0); revised ltr. to IBJ (.30); negotiated and drafted ltr. to Buyer re escrow (.80); drafted Notice to Escrow Agent (.70); reviewed all closing docs. (.50).	4.80
07/20/98	GREENE	Conf. w/Shuman re Closing.	2.00
07/20/98	SHUMAN	Conf. w/S. Greene re closing (2.0); tel. c. w/Ruttland re closing (.10); tel. c. w/IBJ re closing (.10).	2.20
07/21/98	SHUMAN	Tel. cs. w/ Banks' counsel re closing (1.2); tel. cs. w/Beresford re closing (.50); tel. c. w/ IBJ re escrow (.10); tel. cs. w/Dopsch and Aaron re closing (.70).	2.50
07/22/98	WELLS	Met with R. Shuman to go through new index and update closing docs (.5); amended index and organized closing docs by creating new labels for closing folders (1.5); copied Amendment No. One and Rutland Side Letter and faxed to John Beresford (.5); assisted with closing <u>i.e.</u> copied Stock Certs., Releases and other docs and inserted dates (1.5).	4.00
07/22/98	SHUMAN	Attended closing.	4.20

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 6

July, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
07/24/98	WELLS	Called Linda Bennett @ IBJ; sent signed, original IBJ Letter from closing to Linda Bennett; drafted cover letter.	.50
07/30/98	WELLS	Met with R. Shuman to discuss post-closing matters.	.50
07/31/98	WELLS	Sent sig pages for Acknowledgement of Chase's Release to Alliance and to Castle for execution.	.70
		TOTAL FOR SERVICES	<hr/> 144.20

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 7

July, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	18.00	8,928.00
RDS	SHUMAN, R	196.00	80.50	15,778.00
KW	WELLS, K	84.00	10.20	856.80
KN	NATARAJAN, K	188.00	<u>35.50</u>	<u>6,674.00</u>
	TOTAL		144.20	\$ 32,236.80

ALLIANCE ENTERTAINMENT
DISBURSEMENT SUMMARY

JULY 1998

<u>DESCRIPTION AND CHARGES</u>	<u>TOTAL FEES</u>
Xeroxing	128.70
Local Transportation	690.52
Postage	14.39
Air Freight Delivery Charge	264.77
Luncheon Conferences	131.14
Telephone Charges	27.11
Rapifax	148.75
Word Processing	337.50
Messenger Services	26.50
Courier Service	5.34
Overtime Meals	<u>62.01</u>
	\$1,836.73

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL

July, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	2.85
Courier Service	5.34
Postage	.64
Air Freight Delivery Charge	9.40
Telephone Charges	4.38
Local Transportation	332.42
Rapifax	6.25
Word Processing	<u>196.00</u>
TOTAL DISBURSEMENTS AND CHARGES	\$557.28

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION

July, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	65.55
Postage	13.75
Air Freight Delivery Charge	9.40
Messenger Services	16.00
Word Processing	<u>113.50</u>
TOTAL DISBURSEMENTS AND CHARGES	\$218.20

ALLIANCE ENTERTAINMENT CORP. (DIP)
CONCORD

July, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	60.30
Air Freight Delivery Charge	245.97
Luncheon Conferences	131.14
Telephone Charges	22.73
Local Transportation	358.10
Rapifax	142.50
Messenger Services	10.50
Word Processing	28.00
Overtime Meals	<u>62.01</u>
TOTAL DISBURSEMENTS AND CHARGES	\$1,061.25

LIST OF PROFESSIONALS, RATES AND
AGGREGATE HOURS
August 1 - 19, 1998

<u>NAME</u>	<u>POSITION</u>	<u>RATE</u>	<u>AGGREGATE HOURS</u>	<u>TOTAL FEES</u>
Greene, Stephen A.	Partner	496	4.50	\$ 2,232.00
Guilbert, Rebecca	Paralegal	104	0.80	83.20
Wells, Kevin	Paralegal	84	1.80	151.20
Westbrook, Christine	Paralegal	84	17.60	1,478.40
Proofreaders	Paraprofessionals	76	<u>5.00</u>	<u>380.00</u>
			29.70	\$ 4,324.80

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 1

August 1 - 19, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
08/03/98	GREENE	Tel.c. w/Korpus re Reorg. Plan.	.50
08/13/98	GREENE	Tel.c. w/Jerry Uzzi re Red Ant holdings (0.5); tel.c. w/Weisman re Red Ant and Reorganization Plan (0.5).	1.00
08/17/98	GREENE	Tel.c. w/ Shearman & Sterling re Red Ant documentation (0.5); review Red Ant closing documentation re new loan agreement (1.5).	2.00
08/18/98	GREENE	Tel.c. w/Lewis re Red Ant and delisting of securities.	1.00
		TOTAL FOR SERVICES	<hr/> 4.50

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL
PAGE 2

August 1 - 19, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
SAG	GREENE, S	496.00	4.50	2,232.00
	TOTAL		4.50	\$ 2,232.00

August 1 - 19, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
08/06/98	WESTBROOK	Tel. cs. to Attorneys re time on all matters.	.10
08/11/98	WESTBROOK	Reviewed and revised July stmt. of fees and disb. (1.3); prepared internal memos re time entries (.20); prepared fee summary (1.0).	2.50
08/12/98	WESTBROOK	Conf. w/ R. Guilbert re preparing Final Fee App. (.80); revised July stmt. of fees and disb. (.30).	1.10
08/12/98	GUILBERT	Conf. w/ Ms. Westbrook re preparation of Final Fee App.	.80
08/13/98	WESTBROOK	Reviewed and revised stmt. of fees and disb.	1.00
08/14/98	PRFRDR	Checked revisions on Billing for C. Westbrook	1.00
08/17/98	WESTBROOK	Reviewed changes to July stmt. of fees and disb. (.30); revised same (.20); prepared disb. summary (.50); revised cover memo (.10); revised memo to Alliance (.30); drafted Final Fee App. (6.0); prepared and distributed internal memo (.10).	7.50
08/17/98	PRFRDR	Checked revisions to Billing for C. Westbrook	.50
08/17/98	PRFRDR	Checked revisions to Application, Affidavit and Invoices for C. Westbrook	2.50

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 2

August 1 - 19, 1998

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
08/18/98	WESTBROOK	Reviewed changes to Final Fee App. (.30); conf. w/M. Korpus re Final Fee App. (.40); drafted Final Fee App. (3.6); conf. w/Shuman re July time (.20); revised July stmt of fees and disb. (.50).	5.00
08/19/98	WESTBROOK	Reviewed changes to July stmt of fees and disb. (.30); prepared cover memo to same (.10).	.40
08/19/98	PRFRDR	Checked revisions to Statement of Fees and Final Application for C. Westbrook	1.00
		TOTAL FOR SERVICES	<hr/> 23.40

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION
PAGE 3

August 1 - 19, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
RG	GUILBERT, R	104.00	.80	83.20
CW	WESTBROOK, C	84.00	17.60	1,478.40
PFRDRS	PROOFREADERS	70.00	5.00	380.00
	TOTAL		23.40	\$ 1,941.60

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 1

August 1 - 19, 1998

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
08/19/98	WELLS	Whited out signatures on sig pages (.20); organized and assembled closing set of documents from closing folders (1.30); created list of questions for attorney re: closing set and its distribution to the various parties (.30).	1.80
		TOTAL FOR SERVICES	<hr/> 1.80

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE
PAGE 2

August 1 - 19, 1998

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>TOTAL FEES</u>
KW	WELLS, K	84.00	1.80	151.20
	TOTAL		1.80	151.20

ALLIANCE ENTERTAINMENT
DISBURSEMENT SUMMARY
August 1 - 19, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	51.55
Air Freight Delivery Charge	18.10
Postage	-.30
Telephone Charges	4.94
Rapifax	7.50
Messenger Services	16.00
Word Processing	534.70
Data Bank Research	2.40
Local Transportation	95.96
Exhibit Tabs	3.00
	<hr/>
	\$733.85

ALLIANCE ENTERTAINMENT CORP. (DIP)
CORPORATE GENERAL

August 1 - 19, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	18.75
Air Freight Delivery Charge	7.35
Postage	-.30
Telephone Charges	4.94
Rapifax	7.50
Messenger Services	16.00
Word Processing	56.00
Data Bank Research	2.40
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$112.64

ALLIANCE ENTERTAINMENT CORP. (DIP)
REORGANIZATION

August 1 - 19, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	23.40
Postage	10.75
Word Processing	478.70
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$512.85

ALLIANCE ENTERTAINMENT CORP. (DIP)
CASTLE

August 1 - 19, 1998

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Air Freight Delivery Charge	9.40
Local Transportation	95.96
Exhibit Tabs	3.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$108.36