

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

UNITED STATES DISTRICT BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

ALLIANCE ENTERTAINMENT CORP.,
et al.,

Debtors.

Chapter 11

Case No. 97B 44673 (BRL)

Jointly Administered

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

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

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

1. On October 5, 1995, Marine Midland Bank ("Marine" or "Claimant") filed the Application. The Debtors objected to the Application on the grounds that the Trustee failed to demonstrate that it made a substantial contribution to the Debtors' chapter 11 reorganization and that the Trustee did not provide sufficient records to substantiate all of the services for which compensation is sought.

2. To supplement the statements attached to the Application, Marine Midland attaches as Exhibit A the time records and expense records of its counsel, Seward & Kissel.

3. Additionally, Marine Midland represents that the fees and expenses sought in the Application are consistent with the fees and expenses it charges as indenture trustee for other matters. Moreover, Marine Midland believes that the Indenture Trustee's post-petition annual trustee fee of \$7,500 and its fee for undertaking the role as trustee here in the amount of \$5,000 are entitled to administrative priority as ordinary expenses of the debtor-in-possession.

WHEREFORE, Marine respectfully requests that the Court enter an order, allowing it an administrative claim of \$24,485.00 for its fees and \$336.87 for its own expenses during the cases and an allowance of \$48,694.75 for attorneys fees, together with reimbursement for actual and necessary expenses of its attorneys in the amount of \$2,176.04 for a total award of \$75,692.66; and grant Marine such other and further relief as is just and proper.

Dated: New York, New York
October 27, 1998

SEWARD & KISSEL

By: /s/ Ronald L. Cohen
Ronald L. Cohen (RC 3897)

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Indenture Trustee

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