

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In Re

BRADLEES STORES, INC., et al.,

Debtors

Chapter 11

Case No. 95 B 42777

through 95 B 42484 (BRL)

(Jointly Administered)

DELOITTE & TOUCHE LLP'S FINAL FEE APPLICATION FOR COMPENSATION AND  
EXPENSES FOR SERVICES RENDERED AND EXPENSES INCURRED AS FORMER  
ACCOUNTANTS AND AUDITORS TO THE DEBTORS FOR THE PERIOD BEGINNING  
JUNE 24, 1995 AND ENDED FEBRUARY 2, 1999

1. Deloitte & Touche LLP, Former Accountants and Auditors (September 15, 1995 order authorizing the employment of Deloitte & Touche as Accountants and Auditors attached as Exhibit A) for Bradlees Stores, Inc. ("Stores"), New Horizons of Yonkers, Inc., Bradlees, Inc., Bradlees Administrative Co., Inc., Dostra Realty Co., Inc., Maximedia Services, Inc., New Horizons of Bruckner, Inc., and New Horizons of Westbury, Inc., debtors and debtors-in-possession herein (collectively, the "Debtors"), submits for review its final fee application for compensation and expenses, for the period June 24, 1995 through February 2, 1999 (the "Billing Period").
2. This application is made in accordance with the Administrative Order, dated April 19, 1995, of this Court, which established the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases (the "Guidelines").
3. The billing rates Deloitte & Touche LLP (Deloitte & Touche) charges for the services of its partners and professional staff are the same rates which it charges its non bankruptcy clients for similar matters. As set forth in the Affidavit in support of the Application authorizing the employment and retention of Deloitte & Touche (the "Affidavit") dated August 16, 1995 (a copy of which is attached as Exhibit B), Deloitte & Touche agreed to provide recurring base

accounting and auditing services (recurring audit) at a “not to exceed fee” of \$300,000 for the Debtor’s 1995 financial statements. Other services of a project, research or consultation nature, as requested by the Debtors, are charged at our standard rates in accordance with the Affidavit dated August 16, 1995.

4. Deloitte & Touche subsequently agreed with management of the Debtor to provide recurring base accounting and auditing services at a “not to exceed fee” of \$300,000 for the Debtor’s 1996 and 1997 financial statements. Other services of a project, research or consultation nature, as requested by the Debtors, were charged at our standard rates in accordance with the Affidavit dated August 16, 1995.
5. Deloitte & Touche’s audit services were terminated as of September 24, 1997. Other subsequent services of a project, research or consultation nature, as requested by the Debtors, have been charged at our standard rates in accordance with the Affidavit dated August 16, 1995.
6. On December 23, 1998 the retention of Deloitte & Touche LLP was renewed on a limited basis nunc pro tunc to October 12, 1998 to perform certain services in connection with the Debtors Registration statement to be filed with the Securities and Exchange Commission. The Debtor was authorized to compensate D&T for such services in an amount not to exceed \$50,000 without the need for D&T to file with the court an interim fee application seeking allowance for such fees. D&T was required to include the amounts billed in relation to the above services in D&T’s final fee application. Accordingly the fees for such services have been include in this final fee application and are detailed in Exhibit C.
7. All services for which compensation is requested by Deloitte & Touche were performed for and on behalf of the Debtor after the filing of this case (June 23, 1995) and were not rendered on behalf of a creditor or any other person.
8. There is no agreement or understanding between Deloitte & Touche and any other person, other than the members, associates and employees of Deloitte & Touche, for the sharing of compensation received or to be received for services rendered in connection with these proceedings.

9. Deloitte & Touche has not entered into any agreement, express or implied with any party in interest, including the Debtor, any creditor, or any representative for any of them, or with any attorney for such party in interest, for the purpose of fixing the fees or other compensation to be paid to Deloitte & Touche (other than the cap of \$300,000 for recurring audit fees for 1995, 1996 and 1997) for services rendered in connection herewith, from the assets of the Debtor.
10. During the billing period, Deloitte & Touche provided various services to the Debtor which are detailed in the interim applications and within Exhibit C of this application.
11. In rendering the services during the billing period, Deloitte & Touche partners and professional staff expended 9,913.5 hours rendering services on behalf of the Debtors, resulting in total charges of \$1,354,751 for professional services. Total charges submitted for approval for the period are \$1,416,889. In connection with the services rendered during the billing period, Deloitte & Touche incurred actual and necessary expenses in the amount of \$62,138. Attached hereto as Exhibit C is a schedule summarizing the hours expended by Deloitte and Touche and the fees and expenses incurred during the billing period. The number of hours spent by each partner, manager and professional staff member who worked on this account subsequent to the tenth interim application along with their respective billing rates is also included in Exhibit C. The following is a summary of the status of Deloitte & Touche's requests for compensation and expenses:

Interim Billing Period Covered	Professional Fees			Other Projects	Expenses	Total	Amounts Paid	Fees Held Back	Receivables
	Recurring Audit 1995	1996	1997						
June 24, 1995 - September 30, 1995	\$ 71,812	\$ -	\$ -	\$ 30,409	\$ 1,541	\$103,762	\$ 88,429	\$15,333	\$-
October 1, 1995 - December 31, 1995	84,418	-	-	73,087	5,489	162,994	147,243	15,751	-
January 1, 1996 - March 31, 1996	128,770	-	-	184,491	12,021	325,282	293,956	31,326	-
April 1, 1996 - June 30, 1996	-	26,346	-	59,734	8,188	94,268	85,660	8,608	-
July 1, 1996 - September 30, 1996	-	41,752	-	52,487	2,909	97,148	97,148	-	-
October 1, 1996 - December 31, 1996	-	51,094	-	21,962	4,436	77,492	77,492	-	-
January 1, 1997 - April 30, 1997	-	165,808	-	174,729	20,146	360,683	360,683	-	-
May 1, 1997- August 31, 1997	-	-	46,612	31,601	5,007	83,220	83,220	-	-
September 1, 1997- December 31, 1997	-	-	4,110	33,528	1,881	39,519	39,519	-	-
January 1, 1998 - April 30, 1998	-	-	-	16,786	520	17,306	17,306	-	-
May 1, 1998 - February 2, 1999	-	-	-	55,215	-	55,215	50,000	-	5,215
	<u>\$285,000</u>	<u>\$285,000</u>	<u>\$50,722</u>	<u>\$734,029</u>	<u>\$62,138</u>	<u>\$1,416,889</u>	<u>\$1,340,656</u>	<u>\$71,018</u>	<u>\$5,215</u>

12. This application for compensation represents all professional fees and expenses incurred during the fee period.

13. Certification required by the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases is attached as Exhibit D.

14. For comparisons of actual costs to budget by interim fee period, please refer to the interim fee applications. No budget was submitted for fees and expenses incurred subsequent to December 31, 1997.

WHEREFORE, Deloitte & Touche LLP respectfully requests this Court to:

- i grant final approval of interim fee applications that represent 9,769.2 professional hours, \$1,299,536 for compensation for services rendered, and \$62,138 in actual expenses incurred,
- ii grant final approval of compensation for professional services rendered in connection with the Debtor's registration statement filed on Form S-1 in the amount of \$55,215 that represents 144.3 hours of professional services, and
- iii grant release of total compensation held back in the amount of \$71,018.

Dated: Boston, MA  
March 11, 1999

*Deloitte & Touche LLP*  
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Former Accountants & Auditors for Bradlees  
Stores, Inc. et-al, Debtors and Debtors-in  
Possession