

Hearing Date: April 22, 1999
Time: 10:00 a.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - x
:
In re :
BRADLEES STORES, INC., et al., : Chapter 11
: Case Nos. 95 B 42777
: through 95 B 42784 (BRL)
Debtors. : (Jointly Administered)
- - - - - x

ORDER REGARDING FEE APPLICATIONS

Applications for an Order (i) allowing compensation for services rendered and reimbursement of expenses and disbursements for the final fee period (the "Final Fee Period"),¹ (ii) authorizing payment of holdback, (iii) granting final allowance of compensation and reimbursement of expenses and disbursements previously allowed and/or (iv) allowing fees and expenses under Section 503(b) of the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") (each a "Fee Application" and collectively, the "Fee Applications")

¹ With respect to each of the applications except those filed by Otterbourg, Steindler, Houston & Rosen, P.C. ("Otterbourg") and Ernst & Young, LLP ("E&Y"), the "Final Fee Period" refers to the period from January 1, 1999 through February 2, 1999. As used in connection with Otterbourg and E&Y, the "Final Fee Period" refers to the period from January 1, 1999 through April 22, 1999.

having been filed in connection with the administration of the above-captioned chapter 11 cases of Bradlees Stores, Inc., 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. (collectively, "Bradlees") by:

(i) Dewey Ballantine LLP ("Dewey"), Bankruptcy Counsel to Bradlees, seeking (a) fees in the amount of \$590,681.00 and disbursements in the amount of \$34,175.75 for the Final Fee Period, (b) payment of a holdback in the amount of \$406,252.63, and (c) final allowance of fees in the amount of \$11,376,048.40 and expenses in the amount of \$1,226,487.81;

(ii) Goodwin, Procter & Hoar LLP ("Goodwin"), Special Corporate Counsel to Bradlees, seeking (a) fees in the amount of \$202,177.00 and disbursements in the amount of \$8,573.88 for the Final Fee Period, (b) payment of a holdback in the amount of \$89,709.30, and (c) final allowance of fees in the amount of \$1,998,635.00 and expenses in the amount of \$136,913.01;

(iii) Squire, Sanders & Dempsey L.L.P. ("Squire"), Special Real Estate Counsel to Bradlees, seeking (a) fees in the amount of \$42,585.00 and disbursements in the amount of \$712.00 for the Final Fee Period, and (b) final allowance of fees in the amount of \$356,791.50 and expenses in the amount of \$11,981.73;

(iv) Zolfo Cooper, LLC ("Zolfo"), Special Financial Advisors and Bankruptcy Consultants to Bradlees, seeking (a) fees in the amount of \$57,185.00 and disbursements in the amount of \$4,110.53 for the Final Fee Period, (b) payment of a holdback in the amount of \$294,264.59, and (c) final allowance of fees in the amount of \$5,530,799.00 and expenses in the amount of \$491,944.14;

(v) Arthur Andersen LLP ("Arthur"), Accountants and Auditors to Bradlees, seeking (a) fees in the amount of \$79,966.00 and disbursements in the amount of \$1,932.00 for the Final Fee Period, and (b) final allowance of fees in the amount of \$1,027,725.00 and expenses in the amount of \$103,016.00;

(vi) Deloitte & Touche LLP ("Deloitte"), former Accountants and Auditors to Bradlees, seeking (a) payment of a holdback in the amount of \$71,018.00, and (b) final allowance of fees in the amount of \$1,354,751.00 and expenses in the amount of \$62,138.00;

(vii) Otterbourg, Counsel to the Official Committee of Unsecured Creditors, seeking (a) fees in the amount of \$147,837.31 and disbursements in the amount of \$15,856.13 for the Final Fee Period, (b) payment of a holdback in the amount of \$173,407.70, (c) payment of fees in the amount of \$84,381.00 for the Stub Period,² and (d) final allowance of fees in the amount of \$4,928,782.81 and expenses in the amount of \$419,608.22;

(viii) E&Y, Accountants to the Official Committee of Unsecured Creditors, seeking (a) fees in the amount of \$27,630.00 and disbursements in the amount of \$556.00 for the Final Fee Period, (b) payment of a holdback in the amount of \$193,439.00, (c) payment of fees in the amount of \$67,944.00 for the Stub Period, and (d) final allowance of fees in the amount of \$4,112,920.00 and expenses in the amount of \$73,459.00;

(ix) Peter J. Solomon Company ("PJS"), Investment Bankers to the Official Committee of Unsecured Creditors, seeking final allowance of fees in the amount of \$847,580.00 and expenses in the amount of \$25,590.77;

(x) the Official Committee of Unsecured Creditors (the "Committee") for reimbursement of member expenses in the amount of \$846.84 incurred during the Final Fee Period;

² As such term is defined in the Fee Applications filed by Otterbourg and E&Y.

in accordance with Sections 330 and 331 of the Bankruptcy Code; and by:

(xi) Loomis Sayles & Company, L.P. ("Loomis"), Bondholder of Bradlees, Inc., seeking fees in the amount of \$278,401.63 and expenses in the amount of \$21,598.37;

in accordance with Section 503(b) of the Bankruptcy Code; and pursuant to the Federal Rules of Bankruptcy Procedure and the procedures established by this Court pursuant to the Administrative Order dated April 16, 1995 establishing Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases; and notice of the hearing (the "Fee Hearing") to consider the Fee Applications having been served in accordance with the terms of the Second Amended Joint Plan of Reorganization of Bradlees Stores, Inc. and Affiliates under Chapter 11 of the Bankruptcy Code, dated January 26, 1999 (the "Plan"), and this Court's Orders dated August 16, 1995, February 29, 1996 and February 18, 1997 (collectively, the "Procedures Orders") establishing, among other things, notice and administrative procedures for these Chapter 11 cases; and the Court having carefully reviewed the Fee Applications; and upon the record of the Fee Hearing held on April 22, 1999; and after due deliberation and sufficient cause existing therefor, and the Court having

FOUND, ADJUDGED AND DECREED, that, in accordance with the Plan and the Procedures Orders, adequate and sufficient notice of the Fee Applications and the Fee Hearing has been provided to parties in interest; it is hereby

ORDERED, that the fees and expenses incurred during the Final Fee Period which were requested in the Fee Applications of Dewey, Goodwin, Squire, Zolfo, Arthur, Otterbourg, E&Y and the Committee are awarded to the extent set forth in Schedules A(1) and A(2) annexed hereto and made a part hereof; and it is further

ORDERED, that payments made by Bradlees to Dewey, Goodwin, Squire, Zolfo, Arthur, Otterbourg and E&Y during the Fee Period pursuant to the Procedures Orders, as set forth in Schedules A(1) and A(2), are hereby approved; and it is further

ORDERED, that Bradlees is authorized to pay to Dewey, Goodwin, Zolfo, Arthur, Deloitte, Otterbourg and E&Y the fees which were subject to a holdback during the case; and it is further

ORDERED, that the Fee Application filed by Loomis seeking fees and expenses pursuant to Section 503(b) of the Bankruptcy Code and Sections 12.06 and 12.07(b) of the Plan is granted in its entirety; and it is further

ORDERED, that in accordance with Section 12.07(b) of the Plan, Bradlees is authorized and directed to pay to Dewey, Goodwin, Squire, Zolfo, Arthur, Deloitte, Otterbourg, E&Y, PJS, the Committee and Loomis the amounts listed as "To Be Paid" under the headings entitled (i) "Total Fees Paid/To Be Paid by Debtor" in Schedule A(2) and (ii) "Total Expenses Allowed/To Be Paid By Debtor" in Schedule A(2); and it is further

ORDERED, that the fees and expenses which have been paid during the case and which shall be paid pursuant to this Order (including, inter alia, fees and expenses incurred during the Final Fee Period, fees heldback during the case, and fees incurred during the Stub Period) to Dewey, Goodwin, Squire, Zolfo, Arthur, Deloitte, Otterbourg, E&Y, PJS, the Committee and Loomis, the amounts of which are listed under the headings entitled "Total Fees Allowed" and "Total Expenses Allowed" in Schedule A(2) shall be finally allowed in their entirety.

Dated: New York, New York
May 5, 1999

/s/ Burton R. Lifland

UNITED STATES BANKRUPTCY JUDGE