

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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US BANKRUPTCY COURT
DISTRICT OF DELAWARE

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FILED

In re: :
: **Jointly Administered**
CELLNET DATA SYSTEMS, INC., : **Index No. 00-00844 (PJW)**
a Delaware corporation, et al., :
: **Chapter 11**
Debtors. :

FOURTH AND FINAL APPLICATION OF DELOITTE & TOUCHE LLP FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES

Name of Applicant(s): Deloitte & Touche LLP

Authorized to Provide Professional Services to: CellNet Data Systems, Inc. et al.

Date of Retention: February 4, 2000

Period for which compensation and reimbursement is sought: May 16, 2000 through September 12, 2000 (Fourth and Final)

Amount of Compensation sought as actual, reasonable and necessary: \$73,031.00

Amount of Expense Reimbursement sought as actual, reasonable and necessary: \$46.75

This is an: Interim X Final Application

The total estimated time expended for the preparation of this application is approximately 24.5 hours and the corresponding compensation to be requested in this Final Compensation Period is approximately \$5,680.00 or less than eight percent of the amount sought.

If this is not the first application filed, disclose the following for each prior application:

<u>Date Filed</u>	<u>Period Covered</u>	<u>Requested Fees and Expenses</u>	<u>Approved Fees and Expenses</u>
3/23/00	2/04/00 - 2/29/00	\$41,783.40	\$41,783.40 approved
4/25/00	3/01/00 - 3/31/00	\$151,503.20	\$151,503.20 approved
6/23/00	4/01/00 - 5/15/00	\$39,667.23	\$39,667.23 approved

bt = 306,031.58

530

In Re: CellNet Data Systems, Inc. et al.
Index No.: 00-00844 (PJW)

CellNet Data Systems, Inc.
Deloitte & Touche LLP
Summary of Professional Fees
May 16, 2000 to September 12, 2000

<u>Professional</u>	<u>Rate</u>	<u>Hours Worked</u>	<u>Fees</u>
Terrence McCarthy	\$ 420	2.0	\$ 840.00
Arthur Perkins	\$ 420	4.5	1,890.00
Jim Collar	\$ 420	4.0	1,680.00
Jim Donaldson	\$ 360	22.7	8,172.00
María Gonzalez	\$ 370	25.2	9,324.00
Doren Cadieux	\$ 330	21.0	6,930.00
Emmett Bergman	\$ 260	1.2	312.00
Darius Igras	\$ 250	26.0	6,500.00
Maggie Clarke	\$ 215	13.0	2,795.00
Jennifer Benecke	\$ 185	18.8	3,478.00
David Reid	\$ 170	46.0	7,820.00
Linda Lah	\$ 170	49.0	8,330.00
Hope Pflibsen	\$ 170	6.5	1,105.00
Jennifer Peterson	\$ 170	7.0	1,190.00
Yoon Sung	\$ 170	74.5	12,665.00
Professional Hours and Fees Total		<u>321.4</u>	<u>73,031.00</u>
Add: Total Expenses			<u>46.75</u>
Total Professional Fees & Expenses			<u>\$ 73,077.75</u>

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:	:	
	:	Jointly Administered
CELLNET DATA SYSTEMS, INC.,	:	Index No. 00-00844 (PJW)
a Delaware corporation, <u>et al.</u>,	:	
	:	Chapter 11
Debtors.	:	

**APPLICATION FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT
OF EXPENSES TO DELOITTE & TOUCHE LLP, AS AUDITORS, ACCOUNTANTS
AND TAX CONSULTANTS TO THE DEBTORS FOR THE PERIOD OF MAY 16, 2000
THROUGH SEPTEMBER 12, 2000**

Deloitte & Touche LLP (hereinafter referred to as "Deloitte & Touche " or the "Applicant") moves pursuant to Sections 330 and 331 of Title 11 of the United States Code of Bankruptcy Rule 2016 for an Order awarding reasonable final compensation for professional services rendered as Auditors, Accountants, and Tax Consultants to the Debtors in the amount of \$73,077.75 for the period of May 16, 2000 through September 12, 2000 (the "Fourth and Final Fee Period").

In support of this application, the Applicant represents as follows:

Background

1. On or about February 4, 2000, the Debtors commenced their respective reorganization cases by filing voluntary petitions (the "Petition Date") for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"). The Debtors intend to continue to operate their businesses and manage their property as debtors in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

2. No request has been made for the appointment of a trustee or examiner, however, an Official Unsecured Creditor's Committee was established February 15, 2000.

3. Deloitte & Touche applied to serve as auditors, accountants and tax consultants for the Debtors, effective February 4, 2000, under its Application dated February 15, 2000. On March 10, 2000, pursuant to 11 U.S.C. §1103(a), this Court signed an order authorizing the Debtors to retain Deloitte & Touche, as auditors, accountants and tax consultants in connection with this Chapter 11 case. Deloitte & Touche has continued to work on matters for the Debtors throughout the Fourth and Final Final Fee Application period.

4. The order approving the retention of Deloitte & Touche authorized Deloitte & Touche to render to the Debtors the numerous services, which include, but are not limited to the following:

a. Continuation and completion of audits of the consolidated financial statements of the Debtors for the year ended December 31, 1999, and if requested, subsequent periods;

b. Reading the Form 10-K or other proposed filings with the Securities and Exchange Commission and perform sufficient additional procedures to allow inclusion of the auditors' reports on the fiscal 1999 financial statements as well as other financial statements Deloitte & Touche may audit, to the extent it is deemed appropriate by Deloitte & Touche;

c. If requested, performing limited reviews of the Debtors' unaudited quarterly financial information before it is issued and included in a Form 10-Q;

d. If requested, and as agreed to by Deloitte & Touche, assisting the Debtors in assessing the accounting and financial reporting effects of the Schlumberger asset

sale or any other proposed strategic transaction, including acquisitions, mergers, sales of the Debtors, portions of the Debtors, or other divestitures of stock, assets or businesses.

e. If requested, and as agreed to by Deloitte & Touche, performing additional audits of the financial statements of the Debtors, financial statements of the Debtors' employee benefit plans, and/or financial statements of portions of the Debtors, pursuant to terms of agreements for the possible transactions.

f. Preparation of federal and state income tax returns

g. Consulting on state and local property tax issues

h. Analyzing various other tax issues which may arise from time to time.

i. As requested by the Debtors and agreed to by Deloitte & Touche, rendering accounting assistance in connection with reports requested by the Court, including monthly operating reports and such other reports as may be requested by the U.S. Trustee and/or parties in interest.

j. As agreed by Deloitte & Touche, assisting with such other accounting and tax matters as the Debtors, its attorneys or financial advisors may, from time to time, request.

5. Throughout this period, with authorization of the Debtors, Deloitte & Touche has rendered services in the following areas:

Audit,

Tax,

Fee Application/Billing.

6. Deloitte & Touche has received payments of fees and reimbursement of expenses in the amounts of \$41,783.40 and \$151,503.20 for auditing, accounting, and tax consulting services provided during the periods of February 4, 2000 through February 29, 2000 and March 1, 2000 through March 31, 2000, respectively. The Bankruptcy Court has approved the payment of fees and expenses for the period April 1, 2000 to May 15, 2000 of \$39,667.23, and payment is pending. There is no agreement or understanding between Deloitte & Touche and any other person(s) other than members of the Firm for the sharing of compensation received or to be received for services rendered in this Chapter 11 case.

7. In accordance with the billing procedures established by this Court, Deloitte & Touche submits an invoice for this fee application period to the Debtors for the period from May 16, 2000 through September 12, 2000, fees and expenses totaling \$73,077.75.

8. Deloitte & Touche has performed its responsibilities in a cost-effective manner commensurate with providing the high quality of professional advice required by the Debtors. Deloitte & Touche has periodically met with the Debtors to ensure that work to be conducted is appropriate and necessary.

9. Deloitte & Touche is cognizant of, and in agreement with, the Court's and the Debtors' desire that the professional fees for the reorganization be limited wherever possible consistent with the Debtors' ability to perform its fiduciary responsibilities. Accordingly, Deloitte & Touche has worked with the Debtors, and Debtors' professionals to avoid duplicative effort and to minimize the level of professional fees.

10. Services provided by Deloitte & Touche consist largely of tax preparation and financial statement audit services.

11. This application is made by Deloitte & Touche in accordance with Local Rule 32 dated December 12, 1996, the Guidelines adopted by the Executive Office for the

United States Trustee and the Administrative Order, Pursuant to Section 105(a) and 331 of the Bankruptcy Code, Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated November 1, 1999. Pursuant to this application, Deloitte & Touche has attached the following exhibits:

(a) Exhibit A – Copy of the Retention Order authorizing employment of Deloitte & Touche;

(b) Exhibit B – Summary schedule showing the professionals who performed the services, the number of hours spent, the respective professional's billing rate and the total fees for such services;

(c) Exhibit C – Summary by Project Code, Summary of Professional Fees and itemized records, in chronological order, of each specific service for which an award of compensation is sought. The itemized records include: (1) the date each service was rendered, (2) the professional(s) who performed the service, (3) a description of the services rendered, and (4) the time spent performing the service in increments of tenths of an hour for the period May 16, 2000 through September 12, 2000;

(d) Exhibit D – Expense Summary reports by individual, which itemize total expenses for which reimbursement is sought. All expenses for which reimbursements are sought are disclosed in detail by individual. It should be noted that any airfare charges incurred as a result of travel are in coach class; and

(e) Exhibit E – Affidavit of Arthur T. Perkins, Jr. in accordance with Federal Bankruptcy rule 2106.

12. Fee and Expense Request – Applicant requests an award of \$73,031.00 for professional services and reimbursement of \$46.75 for necessary expenses incurred on behalf of the Debtors during the period from May 16, 2000 through September 12, 2000. Applicant further requests final approval of compensation and reimbursement of expenses previously allowed by this Court under the interim billing procedures in this case.

13. In rendering the services described herein, Deloitte & Touche expended a total of 321.4 hours during the period from May 16, 2000 through September 12, 2000. Deloitte & Touche has performed and completed a significant amount of work during the approximate four month period as reflected in this fee application. The following table summarizes the total hours and professional fees charged by task description for the Fourth and Final Fee Period:

CellNet Data Systems, Inc.
Deloitte & Touche LLP
Summary of Professional Fees by Category
May 16, 2000 to September 12, 2000

<u>Category</u>	<u>Hours Worked</u>	<u>Fees</u>
Audit	131.2	\$ 28,344.00
Tax	165.7	39,007.00
Fee Application/Billing	<u>24.5</u>	<u>5,680.00</u>
Professional Hours and Fees Total	<u><u>321.4</u></u>	<u><u>\$ 73,031.00</u></u>

SUMMARY OF SERVICES BY CATEGORY AND DISCUSSION
OF NECESSITY AND BENEFIT TO THE ESTATE.

14. The services rendered by Deloitte & Touche during the Fourth and Final Fee Period can be grouped into the main categories as summarized in the chart above and described in greater detail below. A more detailed summary by task is included as Exhibit C. The professionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category are detailed in Exhibit C.

Audit: Deloitte & Touche is auditing (in progress) the financial statements of the 401(k) Plan sponsored by the Debtors for the Plan's fiscal year ended December 31, 2000.

Project Category: Audit

Total Hours: 131.2

Total Fees: \$28,344.00

Tax: Deloitte & Touche provided consulting services in connection with tax issues associated with the Debtors' bankruptcy filing, including income tax reporting requirements. Deloitte & Touche also prepared the Debtors' 1999 consolidated federal income tax return.

Project Category: Tax

Total Hours: 165.7

Total Fees: \$39,007.00

Fee Application/Billing: Deloitte prepared the Fourth and Final Fee Application covering the period May 16, 2000 through September 12, 2000. The fees and expenses

sought by Deloitte & Touche are \$5,680.00 or less than eight percent of the total amount sought.

Project Category: Fee Application/Billing

Total Hours: 24.5

Total Fees: \$5,680.00

15. Such services were reasonable and necessary in order for Deloitte & Touche to discharge its duties and obligations to the Debtors and this Court. Applying the usual and customary billing rates for the types of services performed to the time spent as generally accepted by the firm's clients, Deloitte & Touche incurred total fees of \$73,031.00 for the period from May 16, 2000 through September 12, 2000.

16. In rendering these services, Deloitte & Touche made every effort to maximize the benefit to the Estate and to work with other professionals employed in the case to avoid duplication of effort. The amount of services rendered by Deloitte & Touche to achieve the results obtained for the benefit of the Estate was reasonable in light of the complexity of the issues involved in this case. Deloitte & Touche judiciously allocated responsibilities to minimize possible duplication of efforts. Compensation is sought for participation by more than one professional only in instances where joint participation was necessary because of the significant impact of a particular meeting, the complexity of the problem involved, the specialization required or the need to preserve a continuity of representation. It is often necessary for more than one professional to attend a meeting to facilitate communication of information rather than to relay the information from individual to individual.

17. Other than as provided in Section 504(b) of the Bankruptcy Code, Deloitte & Touche has not shared, or agreed to share, any compensation received as a result of this case with any person, firm or entity. No promises concerning compensation have been made to Deloitte & Touche by any firm, person or entity. The sole and exclusive source of compensation shall be funds of the Estate.

18. The Applicant asserts that compensation requested above is reasonable compensation for the actual and necessary services rendered based upon the time, nature and value of such services. Deloitte & Touche further asserts that the cost of services rendered for and on behalf of the Debtors is comparable to the cost of similar services in matters other than under the Bankruptcy Code.

19. In accordance with the Administrative Order, Pursuant to Section 105(a) and 331 of the Bankruptcy Code, Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals (the "Administrative Order") Deloitte & Touche has submitted for this Fourth and Final Fee Application.

Notice

1. Notice of this Application has been given to: (i) CellNet Data Systems, Inc., 125 Shoreway Road, San Carlos, California 94070 (Attn: Chief Administrative Officer); (ii) counsel to the Debtors, (a) Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017 (Attn: Mark Thompson); and (b) Richards, Layton & Finger, P.A., One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899 (Attn: Thomas L. Ambro); (iii) the Office of the United States Trustee, 601 Walnut Street, #950W, Philadelphia PA 19106; (iv) Hale & Dorr LLP, 60 State Street, Boston, MA 02109 (Attention: Mark N. Polebaum), counsel to the Noteholder Group; (v) Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022 (Attention: Constance Fratianni), counsel to Schlumberger; and (vi) counsel to any official committee appointed in these cases, pursuant to section 1102 of the Bankruptcy Code, if any (collectively, the "Notice Parties"). The form of all Fee Applications shall comply with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), applicable Third Circuit law and the Local Rules of this Court. Each Notice Party shall have 20 days after service of a Fee Application (the "Objection Deadline") to file and serve a written objection to such application.

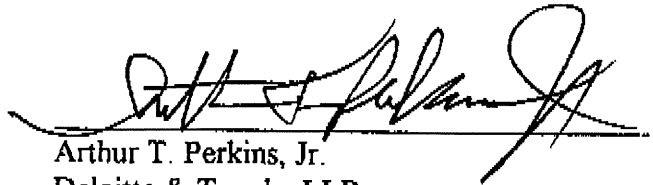
No Prior Request

2. No prior request for the compensation sought in this Application has been made to this or any other court.

WHEREFORE, Deloitte & Touche respectfully requests that the Court enter an Order, substantially in the form attached hereto as Exhibit F, granting final allowance of compensation for professional services rendered by Deloitte & Touche to the Debtors during the period from February 4, 2000 through May 15, 2000 in the amounts allowed on an interim basis and for professional services rendered during the period May 16, 2000 through September 12, 2000 in the amount of \$73,031.00, and reimbursement of necessary and reasonable out-of-pocket expenses in the amount of \$46.75, and as previously allowed in interim applications filed heretofore in this case. Applicant also respectfully requests that the Debtors are authorized to pay the Applicant the balance due, and for such other and further relief as is just.

Dated: Oct 11, 2000

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Arthur T. Perkins, Jr.", written over a horizontal line.

Arthur T. Perkins, Jr.
Deloitte & Touche LLP
50 Fremont St.
San Francisco, California 94105-2230
(415) 783-4000