

Hearing Date: November 9, 2000 @ 4:30 p.m.  
Objection Deadline: November 1, 2000 @ 4:00 p.m.

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

U.S. BANKRUPTCY COURT  
DISTRICT OF DELAWARE

Oct 16 3 50 PM '00

In re

CELLNET DATA SYSTEMS, INC., *et al.*,

Debtors.

)  
)  
) Case No.: 00-00844 (PJW)  
) (Jointly administered)  
)  
)

**FIFTH INTERIM AND FINAL APPLICATION OF  
SIMPSON THACHER & BARTLETT FOR COMPENSATION  
AND FOR REIMBURSEMENT OF EXPENSES**

Name of Applicant: Simpson Thacher & Bartlett

Authorized to Provide Professional Services to: debtors-in-possession

Date of Retention: April 7, 2000

Period for which compensation and reimbursement are sought: July 1, 2000 through September 11, 2000

Amount of Compensation sought as actual, reasonable, and necessary: \$77,337.00

Amount of Expense Reimbursement sought as actual, reasonable, and necessary: \$19,131.03

This is an:      monthly   x   interim      x final application

537

Name and position of Professional Individual	Year license to practice obtained	Hourly Billing Rate <sup>1</sup>	Total Hours Billed	Total Compensation
<b>PARTNER</b>				
Mark Thompson	1984	\$610/640	52.00	\$30,518.00 <sup>2</sup>
<b>TOTAL PARTNER</b>			52.00	\$30,518.00
<b>ASSOCIATE</b>				
Daniel Keenaghan	1974	\$340	2.30	\$782.00
Alice Eaton	2000	\$250/310	111.30	\$27,064.00 <sup>3</sup>
Hillel Parness	1996	\$360	33.50	\$12,897.50
Shari Siegel	1989	\$430	3.60	\$1,548.00
<b>TOTAL ASSOCIATE</b>			150.70	\$42,291.50
<b>PARAPROFESSIONALS</b>				
Barbara Porter	N/a	\$120.00	2.00	\$240.00
Sally Peck	N/a	\$105.00	5.50	\$577.50
Jennifer Alpert	N/a	\$100.00	4.50	\$450.00
Corinne Keating	N/a	\$105.00	30.00	\$3,150.00
James Brown	N/a	\$110.00	1.00	\$110.00
<b>TOTAL PARAPROFESSIONAL</b>			43.00	\$4,527.50
<b>TOTAL</b>			245.70	\$77,337.00

This Application seeks final approval of the amounts previously awarded and an additional award of \$24,149.24 for amounts that ST&B recorded internally but did not otherwise apply for due to local guidelines on word processing, proofreading and non-working travel time.

<sup>1</sup> Billing rate increases occurred September 1, 2000 for certain persons.

<sup>2</sup> \$1,220 of Mr. Thompson's time was for non-working travel and is not included in this table. However, it is included in the request for a final award.

<sup>3</sup> \$895.00 of Ms. Eaton's time was for non-working travel and is not included in this table. However, it is included in the request for a final award.

Prior Applications Filed:

Date Filed	Period Covered	Fees	Expenses	Status
March 30, 2000	February 4, 2000 to February 29, 2000	\$132,807.10	\$8,289.29	Approved: May 3, 2000
April 25, 2000	March 1, 2000 to March 31, 2000	\$82,336.90	\$10,513.72	Approved July 11, 2000
June 9, 2000	April 1, 2000 to May 16, 2000	\$132,911.20	\$8,622.46	Approved July 11, 2000
July 13, 2000	May 17, 2000 to June 30, 2000	\$24,534.90	\$2,222.94	Approved August 16, 2000

The sum of amounts previously awarded, combined with the amounts for which application is hereby made, are:

Fees:	\$465,027.60
Expenses:	\$57,830.18
Total:	\$522,857.78

Dated: October 16, 2000

Hearing Date: November 9, 2000 at 4:30 p.m.  
Objection Deadline: November 1, 2000 @ 4:00 p.m.

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re )  
CELLNET DATA SYSTEMS, INC., *et al.*, )  
 ) Case No.: 00-00844 (PJW)  
 ) (Jointly administered)  
 )  
Debtors. ) Chapter 11

**NOTICE OF FIFTH INTERIM AND FINAL FEE APPLICATION**

PLEASE TAKE NOTICE that on October 16, 2000 Simpson Thacher & Bartlett, which served as attorneys for the debtors in possession during these cases, filed its fifth interim and final fee application (the "Application") seeking approval of \$77,337.00 in fees and \$19,131.03 in expense reimbursement for the period July 1, 2000 through September 11, 2000, the effective date of the debtors' reorganization plan.

PLEASE TAKE NOTICE that the Application also seeks final approval of amounts previously awarded by the Court on an interim basis, namely \$402,238.51 in fees and reimbursement for expenses, for the period February 4, 2000 through June 30, 2000.


PLEASE TAKE FURTHER NOTICE that the Application also seeks an award of \$24,149.24 for fees and disbursements during these cases that would otherwise be written off in accordance with U.S. Trustee guidelines.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Application must be made in writing, filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801, and be received by the undersigned no later than November 1, 2000 at 4:00 p.m.

PLEASE TAKE FURTHER NOTICE that a hearing shall be held on the  
Application on November 9, 2000 at 4:30 p.m.

Dated: October 16, 2000  
New York, New York

SIMPSON THACHER & BARTLETT

By:   
\_\_\_\_\_  
Mark Thompson

425 Lexington Avenue  
New York, New York 10017  
(212) 455-2000

Hearing Date: November 9, 2000 at 4:30 p.m.  
Objection Deadline: November 1, 2000 @ 4:00 p.m.

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re

CELLNET DATA SYSTEMS, INC., *et al.*,

Debtors.

)  
)  
) Case No.: 00-00844 (PJW)  
) (Jointly administered)  
)  
) Chapter 11

**FIFTH INTERIM AND FINAL APPLICATION OF  
SIMPSON THACHER & BARTLETT  
FOR COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES**

Pursuant to sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Simpson Thacher & Bartlett ("ST&B") hereby files this Fifth Interim and Final Application For Allowance Of Compensation And Reimbursement Of Expenses (the "Application").

By this Application, ST&B seeks allowance of \$77,337.00 as compensation and \$19,131.03 for reimbursement of actual and necessary expenses for a total of \$96,468.03 for the period July 1, 2000 through September 11, 2000 (the "Interim Period").

ST&B seeks final approval of \$402,238.51 in fees and reimbursements of expenses previously awarded on an interim basis.

Finally, ST&B seeks an award of \$24,149.24 for items not included in either of the foregoing sums on account of local guidelines on non-working travel, word processing and proofreading.

The sum of the Interim Period request (\$97,232.49), the previous awards (\$402,238.51), and the other award requested (\$24,149.24) is \$522,857.78.

In support of this Application, ST&B respectfully represents as follows:

#### Background

1. On February 4, 2000 (the "Petition Date"), CellNet Data Systems, Inc., et al. (collectively, the "Debtors") filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code.
2. The Application Of Debtors In Possession For Order Pursuant To Section 327(a) Of The Bankruptcy Code Authorizing The Employment And Retention Of Simpson Thacher & Bartlett As Attorneys For Debtors In Possession (the "Retention Motion") was submitted on February 4, 2000. An order approving the Retention Motion was approved on April 7, 2000. The Retention Motion contemplates that ST&B should be compensated on an hourly basis and reimbursed for actual and necessary out-of-pocket expenses.
3. In addition to the foregoing, the following documents are incorporated herein by reference:
  - a) Affidavit, First Supplemental Affidavit and Second Supplemental Affidavit of Mark Thompson (docket nos. 29, 62 and 294); and.
  - b) The four prior interim applications of ST&B dated March 29, April 21, July 7 and July 12, 2000 (docket nos. 184, 264, 363 and 423) (the "Prior Interim Applications").

#### Review of the Case

4. These cases commenced on February 4, 2000. Debtors arrived with a letter of intent to sell their business and assets to Schlumberger Ltd., and obtained \$30,000,000 in debtor-in-possession funding from Schlumberger. Debtors obtained approval of bidding procedures and cooperated with a group that sought unsuccessfully to assemble a competing bid.

During this period, Bechtel Enterprises instituted litigation on several fronts designed to block the transfer of a joint venture interest to Schlumberger and also to protect the joint venture's rights as licensee. There were disputes with a landlord, a competitor, the U.S. Trustee and the creditors' committee over various issues pertaining to the asset sale. Ultimately the sale to Schlumberger was approved and closed within 90 days of filing.

5. Subsequently, the joint venture interests were sold to Bechtel. A liquidating plan and disclosure statement were filed, approved for voting, accepted by creditors and confirmed by this Court, six and a half months after the cases commenced. The plan became effective September 11 and ninety percent of the cash realized from those asset sales has been distributed to creditors.

6. Prior to confirmation, stipulation was reached with the Debtors' preferred securities holders, resolving novel and potentially time-consuming issues and producing a small distribution of escrowed money to them.

7. All secured creditors were paid in full, with interest through the Schlumberger sale. Most trade creditors were paid in full through the Schlumberger sale. A dividend in excess of 10% of claim amount has already been made to the remaining unsecured creditors. Preferred securities holders received a small distribution through the release of their escrow. Common shareholders received nothing.

#### Compensation Paid and Its Source

8. All services for which compensation is requested by ST&B were performed for or on behalf of the Debtors.

9. Except to the extent of the retainer paid to ST&B as described in the application seeking approval of ST&B's employment by Debtors during the period covered by this Application, ST&B has received no payment and no promises for payment from any source



for services rendered to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between ST&B and any other person other than the directors of ST&B for the sharing of compensation to be received for services rendered in these cases.

10. After giving effect to prior debits to its retainer, ST&B holds a retainer of \$189,679.03. ST&B continues to serve the liquidating debtor, post-effective date, principally in connection with (a) the BCN royalty dispute; (b) the Itron claims and (c) other miscellaneous matters. Pursuant to the agreements governing the Schlumberger asset sale, any surplus in the retainer is to be paid over to Schlumberger.

#### Fee Statements

11. Attached hereto as Exhibit A is a download of daily time logs describing the time spent by each attorney and paraprofessional for Interim Period. To the best of ST&B's knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Guidelines adopted by the Office of the United States Trustee and this Court's Order No. 32. The Prior Interim Applications are hereby incorporated by reference for a description of prior services.

#### Actual and Necessary Expenses

12. A summary of actual and necessary expenses incurred by ST&B for the period July 1, 2000 through September 11, 2000 is attached hereto as Exhibit B. ST&B charges all of its bankruptcy clients \$0.15 per page for photocopying expenses. In addition, ST&B charges \$2.40 per minute for outgoing faxes in addition to the actual cost of long distance telephone charges, which equates to a charge of less than \$1.00 per page (because the fax machines send several pages per minute). ST&B does not charge for incoming faxes. ST&B charges \$9.00 per messenger run in Manhattan.

13. Regarding providers of on-line legal research (e.g., NEXIS/LEXIS and WESTLAW), ST&B charges all its clients the standard usage rates these providers charge, which, due to contractual flat fees, may not always equal ST&B's actual cost. ST&B is currently under contract to pay these providers a flat fee every month. For certain months the flat fee may be higher than actual usage. For certain other months the flat fee may be lower than actual usage. Charging its clients the on-line providers' standard usage rates allows ST&B to cover adequately the monthly flat fees it must pay to these types of providers.

14. ST&B believes the foregoing rates are the market rates that similar law firms charge clients for such services. In addition, ST&B believes that such charges are in accordance with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other charges. One attorney received a promotion during the Interim Period and her billing rate increased as a result.

#### Summary of Services Rendered

15. The partners and associates of ST&B who have rendered professional services in these cases are as follows: Mark Thompson (bankruptcy), Alice Eaton (bankruptcy), Daniel Keenaghan (managing attorney), Hillel Parness (intellectual property/litigation), and Shari Siegel (bankruptcy/litigation). The paraprofessionals of ST&B who have provided services to these attorneys in these cases are as follows: James Browne, Jennifer Alpert, Sally Peck, Corinne Keating and Barbara Porter.

16. ST&B, by and through the above-named persons, has prepared and/or assisted in the preparation of various applications and orders submitted to the court for consideration, advised the Debtors on a regular basis with respect to various matters in

connection with these cases, and has performed all necessary professional services which are described and narrated in detail hereinafter.

### Summary of Services By Project

17. The services rendered by ST&B during the Interim Period can be grouped into the categories set forth below. These categories are generally described below, with a more detailed identification of the actual services provided set forth on the attached Exhibit A. The attorneys and paralegals 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 Exhibit A attached hereto.

#### A. Case Administration

Fees: \$4,996.50; Total Hours: 29.3

This category includes all matters related to (i) filing documents with the Court, (ii) service thereof, (iii) internal and external conferences regarding work in process reports and calendar status, (iv) review of notices of appearance and maintaining service lists (v) updating working group contact information (vi) miscellaneous SEC and corporate matters and (vi) distributing documents.

For the entire case, ST&B recorded \$22,468.90 in fees under this category.

#### B. Creditor Inquiries

Fees: \$3,168.00; Total Hours: 7.2

This category includes all matters related to responding to various creditor inquiries, including, during the Interim Period, communications with lease or contract counterparties.

For the entire case, ST&B recorded \$13,483 in fees under this category.

C. Meetings

Fees: \$0.00; Total Hours: 0.00

There were no meetings in this Interim Period.

For the entire case, ST&B recorded \$12,954.00 in fees under this category.

D. Executory Contracts/Unexpired Leases

Fees: \$2,135.00; Total Hours: 3.5

This category includes matters related to contract and lease analysis and matters related to assumption, assignment or rejection of executory contracts and unexpired leases. In particular, during the Interim Period time was spent on miscellaneous work on the BCN royalty dispute.

For the entire case, ST&B recorded \$58,827.50 in fees under this category, mainly on BCN issues.

E. Automatic Stay/Adequate Protection

Fees: \$0.00; Total Hours: 0.00

There was no activity under this task code during the Interim Period.

For the entire case, ST&B recorded \$4,714.00 under this category.

F. Plan of Reorganization/Disclosure Statement

Fees: \$19,677.00; Total Hours: 47.1

This was the most active area of service during the Interim Period. The Plan and Disclosure Statement were amended in July, the Plan was confirmed in August and became effective in September.

For the entire case, ST&B recorded \$45,713.50 under this category.

G. Use, Sale and Lease of Assets

Fees: \$1,905.00; Total Hours: 3.3

This category includes all matters relating to acquisitions, dispositions and other post-petition sales of property of the estate. Work on the BCN royalty issue is included in this task code during this period.

For the entire case, ST&B recorded \$147,280.70 under this category, principally on the sale to Schlumberger.

H. Cash Collateral/DIP Financing

Fees: \$0.00; Total Hours: 0.00

There was no activity under this task code during the Interim Period.

During the entire case, ST&B recorded \$7,883.50 under this category.

I. Claims Administration

Fees: \$9,435.00; Total Hours: 16.5

This category includes matters relating to claims administration matters and bar date matters, including claims objection and related contested matters. The main claims dealt with during the Interim Period were Itron's and the indenture trustee's/noteholders' claims

During the entire case, ST&B recorded \$14,200 under this category.

J. Court Administration

Fees: \$16,431.00; Total Hours: 62.7

This category includes preparation of motion papers, memoranda of law, preparation for and attendance at court hearings.

During the entire case, ST&B recorded \$61,293.50 under this category.

K. General Corporate/Real Estate

Fees: \$1,155.00 ; Total Hours: 3.5

This category includes matters relating to transactions, corporate governance and securities, and miscellaneous document distribution related thereto.

During the entire case, ST&B recorded \$12,277.20 under this category.

L. Schedules

Fees: \$0.00; Total Hours: 0.00

There was no activity under this task code during the Interim Period.

During the entire case, ST&B recorded \$340.50 under this category.

M. Employee Issues

Fees: \$0.00; Total Hours: 0.00

There was no activity under this task code during the Interim Period.

During the entire case, ST&B recorded \$334 under this category.

N. Environmental

Fees: \$0.00; Total Hours: 0.00

There was no activity under this task code during the Interim Period.

During the entire case, ST&B recorded \$2,058 under this category.

O. Tax

Fees: \$61.00; Total Hours: 0.10

There was one property tax question during the Interim Period.

During the entire case, ST&B recorded \$15,754 under this category.

P. Litigation/Adversary Proceedings

Fees: \$16,709.00; Total Hours: 54.3

This category includes tasks related to nonbankruptcy litigation, principally the BCN royalty dispute and a PG&E claim objection.

During the entire case, ST&B recorded \$19,875.60 under this category.

Q. Professional Retention/Fee Issues

Fees: \$61.00; Total Hours: .10

This category includes all tasks related to assisting debtors in fee recovery from Schlumberger.

During the entire case, ST&B recorded \$1,874.80 under this category.

R. Fee Application Preparation

Fees: \$1,603.90; Total Hours: 12.6

This category includes all matters related to the preparation of this and ST&B's prior fee applications.

During the entire case, ST&B recorded \$8,094.20 under this category.

S. Vendor/Supplier

Fees: \$0.00; Total Hours: 0.00

There was no activity under this task code during the Interim Period.

During the entire case, ST&B recorded \$232 under this category.

T. Utilities

Fees: \$0.00; Total Hours: 0.00

There was no activity under this task code during the Interim Period.

During the entire case, ST&B recorded \$268.80 under this category.

Valuation of Services

18. Attorneys and paraprofessionals of ST&B have expended a total of 245.70 hours in connection with this matter during the Interim Period, as follows:

ATTORNEYS	RATE	HOURS
Mark Thompson	610/640	52.0
Alice Eaton	250/310	111.3
Hillel Parness	360	33.5
Shari Siegel	430	3.6
Daniel Keenaghan	340	2.3

PARAPROFESSIONALS	RATE	HOURS
James Brown	110.00	1.00
Jennifer Alpert	100.00	4.50
Sally Peck	105.00	5.50
Corinne Keating	105.00	30.00
Barbara Porter	120.00	2.00

The nature of the work performed by these persons is fully set forth in Exhibit A attached hereto. These are ST&B's normal hourly rates for work of this character. The reasonable value of the services rendered by ST&B to the Debtors during the Interim Period is \$77,337.00.

19. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by ST&B is fair and reasonable given (a) the complexity of these cases, (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. Moreover, ST&B has reviewed the requirements of Order No. 32 and believes that this Application complies with that Order. Request for allowance of matters not chargeable under local guidelines or, in the alternative for a bonus equal to such amounts.

20. Debtors were not charged during any interim period for word processing, proofreading or non-working travel time, even though ST&B customarily charges nonbankruptcy clients for such services. The amount held back during the Interim Period on account of local guidelines is \$3,534.90. During these cases, ST&B held back \$24,149.24 on account at such guidelines, as follows:

APPLICATION	NONWORKING TRAVEL	WORD PROCESSING & PROOFREADING
First Interim	4,948.50	2,019.70
Second Interim	3,345.00	2,617.84
Third Interim	4,692.00	2,381.30
Fourth Interim	0.00	610.00
This Interim	2,115.00	1,419.90
TOTALS:	15,100.50	9,048.74



21. ST&B's services, applying its normal rates and applicable guidelines, have resulted in total fees and disbursements of only \$522,857.78, assuming all requests are awarded.

22. ST&B staffed this case extremely leanly. Substantially all the legal work was performed by a combination of one partner and one first-year associate. This resulted in a blended hourly rate of \$321.37 (assuming all fees requested are awarded). ST&B also avoided unnecessary motions and research and worked with key constituencies to achieve consensual resolutions of issues, all with a view toward reducing the claim of professional fees upon the recoveries of creditors.

23. As a result, the total fees and disbursements to ST&B, assuming all requests are granted, are less than what some firms seek for just one month's work in certain large cases in this Court. While each case is different, and more litigious cases cannot be directly compared to this one, nevertheless, considering the results achieved, ST&B's work is distinguished for its efficiency and economy.

24. In light of the foregoing, ST&B requests that the Court award it the amount of \$24,149.24, the amount that it would otherwise write off to comply with local guidelines on nonworking travel, word processing and proofreading. Such an award may be awarded as a 4.8% "bonus" in addition to the \$498,708.54 in fees and disbursements otherwise applied for in light of the efficiency and economy of ST&B's services and the results achieved (although from ST&B's perspective, it is not a bonus but simply the amount necessary to bring what would otherwise be 95% collection of its customary charges to 100%).

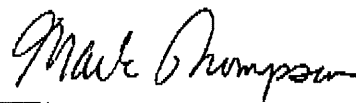
25. ST&B reminds the Court that any surplus in its retainer is to be paid over to Schlumberger and, accordingly, the award at these amounts does not affect the recovery to creditors.

WHEREFORE, ST&B respectfully requests that the Court enter a final order (a) allowing ST&B the sum of \$77,337.00 as compensation for necessary professional services rendered during the Interim Period, and the sum of \$19,131.03 for reimbursement of actual necessary costs and expenses during the Interim Period; (b) confirming its prior approvals of \$402,238.51 in compensation to ST&B and reimbursement of ST&B's expenses; (c) awarding ST&B \$24,149.24 as a bonus for the efficiency and economy of its services; and (d) authorizing ST&B to charge its retainer \$120,619.27 for the unpaid amounts described in clauses (a) and (c) above and to hold such retainer until the termination of its services, and for such other and further relief as this Court may deem just and proper.

Dated: October 16, 2000  
New York, New York

SIMPSON THACHER & BARTLETT

By:



Mark Thompson

425 Lexington Avenue  
New York, New York 10017  
(212) 455-2000

Attorneys for the Debtors in Possession