

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

<b>IN RE:</b>	)	<b>CHAPTER 11</b>
	)	
<b>CITYSCAPE FINANCIAL CORP.</b>	)	
<b>and CITYSCAPE CORP.</b>	)	<b>Case Nos. 98-B-22569 (ASH)</b>
	)	<b>and 98-B-22570 (ASH)</b>
<b>Debtors.</b>	)	
	)	
	)	<b>JOINTLY ADMINISTERED</b>
	)	
	)	

**FIRST AND FINAL APPLICATION FOR COMPENSATION AND FOR  
REIMBURSEMENT OF EXPENSES FOR JAY ALIX & ASSOCIATES  
AS CONSULTANTS TO THE DEBTORS**

Pursuant to 11 U.S.C. §§ 330 and Rule 2016 of the Rules of Bankruptcy Procedure, the firm of Jay Alix & Associates (“JA&A” or “Applicant”) hereby moves this Honorable Court for an order awarding it reasonable compensation from the Estates of Cityscape Financial Corp. (“Cityscape”) and Cityscape Corp. (“CSC”) (Cityscape and CSC collectively, the “Debtors”), for professional services rendered to Cityscape in the amount of \$58,106.00 for the period commencing October 6, 1998 through and including March 5, 1999 (the “Application Period”), together with reimbursement for actual and necessary expenses in the amount of \$7,992.68 incurred during the Application Period. In support of its Final Application for Compensation and for Reimbursement of Expenses for Jay Alix & Associates as Consultants to the Debtors (“Final Fee Application”), JA&A respectfully represents as follows:

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

<b>IN RE:</b>	)	<b>CHAPTER 11</b>
	)	
<b>CITYSCAPE FINANCIAL CORP. and CITYSCAPE CORP.</b>	)	<b>Case Nos. 98-B-22569 (ASH)</b>
	)	<b>and 98-B-22570 (ASH)</b>
<b>Debtors.</b>	)	
	)	
	)	<b>JOINTLY ADMINISTERED</b>
	)	
	)	

**FIRST AND FINAL APPLICATION FOR COMPENSATION AND FOR  
REIMBURSEMENT OF EXPENSES FOR JAY ALIX & ASSOCIATES  
AS CONSULTANTS TO THE DEBTORS**

Name of Applicant:	Jay Alix & Associates (“JA&A”)
Authorized to Provide Professional Services to:	Cityscape Financial Corp. and Cityscape Corp. Debtors and Debtors-in-Possession
Date of Retention:	October 6, 1998
Period for which Compensation and Reimbursement is Sought:	October 6, 1998 – March 5, 1999
Amount of Compensation Sought as Actual, Reasonable, and Necessary:	\$58,106.00
Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary:	\$7,992.68

This is JA&A’s final application.

Total time expended for the preparation of this application is 6.1 hours, with corresponding compensation of \$1,372.50. This fee application was prepared prior to March 5, 1998, and as such, includes all fees for the preparation of this fee application.

No prior fee application has been filed by the Applicant in this case.

The fees set forth herein are 100% of the fees actually billed to the Debtors for which JA&A seeks Court approval.

## **Background**

1. JA&A has served as consultants for the Debtors in connection with their Chapter 11 case pursuant to an Order entered by this Court on October 29, 1998, (the “Retention Order”) and attached hereto as Exhibit A. The Retention Order authorized JA&A to be compensated nunc pro tunc to the beginning of these cases on an hourly basis and to be reimbursed for actual and necessary expenses incurred. This Final Fee Application contains detailed descriptions of the tasks undertaken by JA&A. Detailed billing schedules are attached hereto as Exhibit C. All services for which compensation is requested by JA&A were performed for, or on behalf of the Debtors, and not on behalf of any committee, creditor or other person.

2. Cityscape, a Delaware corporation, is a consumer finance company that, through its wholly-owned subsidiary, CSC, a New York corporation, engages in the business of originating, purchasing, selling and servicing mortgage loans secured primarily by one- to four-family residences. The majority of the Debtors’ loans are made to owners of single family residences who use the loan proceeds for such purposes as debt consolidation, financing of home improvements and educational expenditures, among others. At present, the Debtors have suspended indefinitely their loan origination and purchase activities. CSC is licensed or registered to do business in forty-four states and the District of Columbia. The Debtors are headquartered in Elmsford, New York.

### **Services Rendered During the Compensation Period**

3. Attached hereto as Exhibit B is a summary of the time spent and the fees charged by each professional for Cityscape and CSC during the period covered by this Application. Daily time logs describing the time expended by each professional for the

periods commencing October 6, 1998 through and including March 5, 1999 are included as Exhibit C.

We segregated our detailed time billings for consulting services into three categories, as follows:

<b><u>Category</u></b>	<b>General Description of Services</b>
<b>Case Management</b>	Assisted the Debtors with resolution of various bankruptcy related issues and compiled information for the examiner. Total hours were 190.4 and total fees were \$48,142.50.
<b>Chapter 11 Reporting Requirements</b>	Advised the Debtors on the completion of the schedules and statement of financial affairs. Total hours were 24.5 and total fees were \$8,591.00.
<b>Administration and General Bankruptcy Matters</b>	Prepared and reviewed JA&A monthly billings and fee application and general engagement and retention planning. Total hours were 6.1 and total fees were \$1,372.50.

4. JA&A, by and through those professionals set forth on Exhibit B, have performed numerous services for the Debtor. A brief biographical sketch of each professional with more than ten hours charged to this case is attached as Exhibit E. The collective efforts of JA&A working with other constituents in this case have resulted in significant benefits to the Debtors, including the following:

**A. Case Management:**

- Ensured management's awareness of basic bankruptcy reporting requirements and assisted and advised management regarding the DIP financing and other issues.
- Assisted management and Debtors' attorneys in compiling information for the examiner and in reference to other proceedings.

**B. Chapter 11 Reporting Requirements:**

- Assisted Debtor with completion of bankruptcy schedules and Statement of Affairs with limited staff resources and accelerated time lines. This was done by advising the Debtors on, and assisting in, preparation of such documents.

**C. Administration and General Bankruptcy Matters:**

- General engagement planning.
- Completed this Final Fee Application.

5. The total time spent by JA&A from October 6, 1998, through and including March 5, 1999, in its representation of the Debtors was 221.0 hours. The hours spent by JA&A charged at the firm's standard hourly billing rates total a fee due for services rendered in the amount of \$58,106.00. As shown by this Application and the supporting documents, JA&A spent its time economically on essential tasks which could not or would not be performed by employees of the Debtors without unnecessary duplication of efforts by JA&A.

6. The services performed by JA&A have all been necessary for the proper operation of the Debtors' business. This application includes time during which consultation was required within and among the professionals of JA&A in this case. This consultation time is critical to the efficient management of an estate of this size to prevent duplication of effort, to heighten the general level of sophistication and knowledge of all of the firm professionals involved, and to develop an effective and efficient team of professionals. Such consultation permits the sharing of knowledge and factual information

at considerable cost savings to the Debtors. Moreover, given the scope of the Debtors' operations, the case simply could not be handled without a great deal of teamwork.

7. JA&A has incurred out-of-pocket expenses in the amount of \$7,992.68 for the period of October 6, 1998, through and including March 5, 1999, and requests reimbursement thereof. A summary of disbursements is attached hereto as Exhibit D. It is JA&A's standard policy to charge its clients in all areas of practice for certain expenses incurred in connection with that client's case. The expenses charged to clients include, among other things, telephone and telecopier toll charges, photocopying charges and travel expenses, and expenses for "working meals." JA&A believes that it is more appropriate to charge these expenses to the clients for which they were incurred rather than to increase the hourly rates of the JA&A professionals and spread the expenses among all clients.

#### **Compensation**

8. JA&A submits that its fees and expenses are reasonable in light of the magnitude and complexity of this proceeding.

9. In accordance with the factors promulgated in 11 U.S.C. § 330, the amounts requested in the Application Period are fair and reasonable given (a) the complexity of this case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the cost of comparable services other than in a case under this title.

10. All services for which compensation is requested by JA&A were performed for, or on behalf of, Cityscape and not on behalf of any committee, creditor or other person.

11. There is no agreement or understanding between Cityscape and any other person other than principals of JA&A for the sharing of compensation to be received for services rendered in this case.

12. JA&A had a retainer balance in this case of \$250,000 from the Debtors, which was identified in JA&A's original retention application. JA&A requests that it be allowed to offset the amount of this Final Fee Application approved by the Court and return the balance to the Debtor.

WHEREFORE, JA&A prays that allowance of the proposed order, attached hereto as Exhibit F, be made to it in the sum of \$58,106.00 as compensation for necessary professional services rendered to Cityscape and \$7,992.68 for reimbursement of actual and necessary costs and expenses incurred for the period of October 6, 1998, through and including March 5, 1999.

JAY ALIX & ASSOCIATES

Dated:

By:   
Deborah H. Midanek  
Principal  
575 Fifth Avenue, 21<sup>st</sup> Floor  
New York, NY 10017  
(212) 490-2500

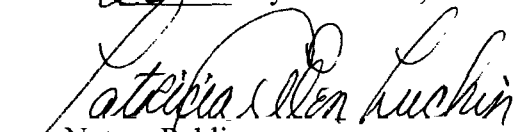
**VERIFICATION**

Deborah H. Midanek, after being duly sworn according to law, deposes and says:

1. I am a principal in the applicant firm, Jay Alix & Associates, and am a nationally recognized bankruptcy professional.
2. I have personal knowledge of the services rendered by Jay Alix & Associates as management consultants to the debtors-in-possession in these cases and am familiar with all other work performed by the professionals in the firm.
3. The facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief.
4. I have reviewed the Local Rules for the United States Bankruptcy Court for the Southern District of New York and it is my belief that this application complies with those rules.

  
Deborah H. Midanek

Sworn to and subscribed before me  
this 26<sup>th</sup> day of March, 1999.

  
Notary Public  
My Commission Expires: 7-5-99

**PATRICIA ELLEN LUCHIN**  
Notary Public, Wayne County, MI  
My Commission Expires July 5, 1999  
Acting in Oakland County, MI



UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----	x	
In re:	:	Chapter 11
	:	
CITYSCAPE FINANCIAL CORP., :	:	Case Nos. 98-B-22569 (ASH)
and CITYSCAPE CORP.,	:	and 98-B-22570 (ASII)
	:	Jointly Administered
	:	
Debtors.	:	
-----	x	

**ORDER AUTHORIZING RETENTION OF JAY ALIX & ASSOCIATES TO ASSIST THE DEBTORS WITH COMPILING INFORMATION FOR THE EXAMINER AND COMPILING INFORMATION FOR THE SCHEDULES AND STATEMENTS**

Upon consideration of the application (the "Application") of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") seeking entry of an order pursuant to sections 327 and 328 of title 11 of the United States Code (the "Bankruptcy Code"), authorizing the retention, nunc pro tunc to the Petition Date (as defined in the Application) under a general retainer, of the firm of Jay Alix & Associates ("JA&A") to assist the Debtors with compiling information for the examiner and compiling information for the schedules and statement of financial affairs to be filed with this Court; and upon that declaration dated October 18, 1998 of Deborah Midanek of JA&A (the "Midanek Declaration") wherein it appears that said firm does not hold or represent any interest materially adverse to the Debtors, any creditors of the Debtors, the United States Trustee for this District or any person employed in the United States Trustee's office, or any other party in interest with respect to the matters upon which said firm is to be engaged and that said firm is a "disinterested person" as contemplated under sections 327 and 328 of the Bankruptcy Code; and it appearing that such retention is in the best interests of the estates; and it appearing that notice of the Application has been given to (i) the Office of the United States Trustee for the Southern District of New York; (ii) the attorneys for the Unofficial Senior

**Noteholders' Committee; (iii) the attorneys for the Unofficial Subordinated Debentureholders' Committee; (iv) the attorneys for Norwest Bank Minnesota, N.A., as indenture trustee, (v) the attorneys to The Chase Manhattan Bank N.A., as indenture trustee, (vi) the attorneys to The CIT Group/Business Credit, Inc., (vii) the attorneys for Greenwich Capital Financial Products, Inc., (viii) the attorneys for Nomura Securities International, Inc., (ix) the attorneys for Elliott Associates, L.P. and Westgate International, L.P., (x) the Debtors' twenty largest unsecured creditors (on a consolidated basis), and (xi) any other party who has filed a notice of appearance in these cases; and there being no objections hereto; and it appearing that no further notice of the Application is required; and no adverse interest having been represented; and after due deliberation and sufficient cause appearing therefor; it is hereby**

**ORDERED, that the Debtors are hereby authorized, pursuant to sections 327 and 328 of the Bankruptcy Code, to retain JA&A to assist the Debtors with compiling information for the examiner and compiling information for the schedules and statement of financial affairs to be filed with this Court; and it is further**

**ORDERED, that compensation of JA&A for services rendered and reimbursement of expenses incurred in connection with the chapter 11 cases shall be pursuant to applications to be submitted to and approved by this Court from time to time during the pendency of these chapter 11 cases; and it is further**

**ORDERED, that the requirement set forth in Rule 9013-1(b) of the Local Rules for the United States Bankruptcy Court for the Southern District of New York that any motion filed shall have an accompanying memorandum of law is hereby waived with respect to the Application; and it is further**

**ORDERED, that the Debtors are authorized and empowered to take such actions  
as may be necessary and appropriate to implement the terms of this Order.**

**Dated: White Plains, New York  
Oct. 29, 1998**

**/s/ Adlai S. Hardin, Jr.  
THE HONORABLE ADLAI S. HARDIN, JR.  
UNITED STATES BANKRUPTCY JUDGE**

**EXHIBIT B**

**Cityscape Financial Corp. and Cityscape Corp.  
Summary of Jay Alix & Associates Professional Fees  
Final Fee Application October 6 to March 5, 1999**

<b>Name of Professional</b>	<b>Position</b>	<b>Billing Rate</b>	<b>Hours Billed</b>	<b>Total Compensation</b>
Deborah H. Midanek	Principal	\$460	61.4	\$28,244.00
Laurence E. Leonard	Associate	225	25.2	5,670.00
John A. Dischner	Consultant	180	47.5	8,550.00
David C. Johnston	Consultant	180	86.9	15,642.00
	Grand Total:		221.0	\$58,106.00
	Blended Rate:	\$262.92		
<b>Total Payment For Professional Fees Being Sought:</b>				<b>\$58,106.00</b>

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
 Mr. Steve Miller  
 President & CEO  
 565 Taxter Road  
 Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
 Client/Matter # 1442-00001

Date	Consultant	Description of Services	Hours
10-13-98	DHM	Discussed communication process within the company regarding the downsizing and the Plan of Reorganization.	1.30
10-13-98	DHM	Discussed approach to claiming the critical staff and employees necessary to implement the plan of reorganization.	1.80
10-13-98	DHM	Met with management to discuss proposed layoffs, impact on company operations and on Plan of Reorganization.	2.00
10-13-98	DHM	Reviewed various strategies for identifying, communicating and reorganizing people to cut and process to reorganize in view of reduced informations.	2.30
10-15-98	DHM	Prepared for hearing on examiner.	2.00
10-15-98	DHM	Discussion of choice of examiner and appropriate scope with various attorneys.	0.60
10-15-98	DHM	Discussion of outcome with various members of management.	2.80
10-20-98	DHM	Discussion of execution of layoff plan. Business risks related.	0.70
10-26-98	DCJ	Travel.	1.40
10-26-98	DCJ	Obtained and reviewed real property lease agreements for relevance relating to the schedule G.	3.40
10-26-98	DCJ	Prepared for meeting and met with Company personnel (Ledwick, Travis, Macintyre, Leggio) regarding location and existence of executory contracts.	3.70
10-26-98	DCJ	Prepared for meeting and met with Midanek and Dischner regarding reporting requirements for schedules	

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
Client/Matter # 1442-00001

Date	Consultant	Description of Services	Hours
10-26-98	DCJ	and bankruptcy statements. Discussion with Fink (Latham&Watkins) regarding timing and expected work product for preparation of schedule G.	2.40 0.60
10-26-98	JAD	Discuss case with Midanek via telephone. Plan role in project (gather information and create Schedule G-Executory Contracts).	0.50
10-26-98	JAD	Reviewed Jay Alix documents relating to Cityscape case.	3.50
10-27-98	DCJ	Created database to maintain all executory contracts, agreements, leases and personnel contracts.	3.30
10-27-98	DCJ	Phone call with Leonard to discuss Cityscape executory contracts.	0.50
10-27-98	DCJ	Obtained and reviewed equipment lease agreements for relevance relating to the schedule G.	3.40
10-27-98	DCJ	Analyzed and reviewed real property lease agreements for corporate offices for relevance relating to the schedule G.	2.60
10-27-98	DHM	Discussions with management and JA&A team regarding progress of case.	2.30
10-27-98	JAD	Review and analyze documents and information related to equipment maintenance contracts.	2.30
10-27-98	JAD	Review and analyze documents and information related to equipment executory contracts.	3.90
10-27-98	JAD	Review and analyze documents and information related to facilities maintenance executory contracts.	2.10
10-27-98	JAD	Meet with facilities and equipment management to gather information relating to facilities, facilities	

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
Client/Matter # 1442-00001

Date	Consultant	Description of Services	Hours
		maintenance, equipment and equipment maintenance executory contracts.	1.20
10-27-98	JAD	Discuss Schedule G with Cityscape accounting personnel.	0.50
10-28-98	DCJ	Discussion with MacIntyre regarding equipment contracts.	0.70
10-28-98	DCJ	Discussion with Ruggiero and Travis regarding obtaining personnel contracts.	0.60
10-28-98	DCJ	Updated database to maintain all executory contracts, agreements, leases and personnel contracts.	3.40
10-28-98	DCJ	Obtained and reviewed personnel contract agreements for relevance relating to the schedule G.	3.00
10-28-98	DCJ	Obtained and reviewed equipment lease agreements for relevance relating to the schedule G.	1.60
10-28-98	DCJ	Obtained and reviewed real property lease agreements for branch offices for relevance relating to the schedule G.	2.50
10-28-98	JAD	Review and analyze documents and information related to telecommunications.	0.80
10-28-98	JAD	Review and analyze documents and information related to software licenses.	3.20
10-28-98	JAD	Review and analyze documents and information related to information technology consulting projects.	3.10
10-28-98	JAD	Review and analyze documents and information related to computer equipment related executory contracts.	3.20
10-28-98	JAD	Meet with Information technology professionals to gather information	

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
Client/Matter # 1442-00001

Date	Consultant	Description of Services	Hours
		regarding computer leases, licenses, IT contracts, contracts with IT consulting firms, contracts with telecommunications providers.	1.70
10-29-98	DCJ	Discussion with Kucma regarding contract and company agreements.	0.70
10-29-98	DCJ	Discussion with Fink regarding schedule G completion.	0.50
10-29-98	DCJ	Discussion with MacIntyre regarding equipment contracts.	0.30
10-29-98	DCJ	Discussion with Ruggiero and Travis regarding detail to personnel contracts and termination agreements.	1.60
10-29-98	DCJ	Updated database to maintain all executory contracts, agreements, leases and personnel contracts.	3.20
10-29-98	DCJ	Obtained and reviewed additional personnel contract agreements for relevance relating to the schedule G.	1.60
10-29-98	DCJ	Obtained and reviewed additional equipment lease agreements for relevance relating to the schedule G.	3.70
10-29-98	DCJ	Obtained and reviewed additional real property lease agreements for relevance relating to the schedule G.	2.20
10-29-98	JAD	Format and prepare Schedule G.	6.60
10-29-98	JAD	Review and analyze documents relating to employee contracts.	3.30
10-29-98	JAD	Review and analyze documents relating to facilities leases.	3.10
10-29-98	JAD	Telephone call with legal counsel to discuss report and format.	0.70
10-29-98	JAD	Meet with finance/accounting	



**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
Client/Matter # 1442-00001

Date	Consultant	Description of Services	Hours
		department to discuss results compiled for schedule G preparation.	0.30
10-30-98	DCJ	Updated database to recently reviewed executory contracts, agreements, leases and personnel contracts.	3.20
10-30-98	DCJ	Travel.	1.50
10-30-98	DCJ	Continued to review personnel contract agreements for relevance relating to the schedule G.	2.30
10-30-98	DCJ	Continued to review equipment lease agreements for relevance relating to the schedule G.	2.90
10-30-98	JAD	Reformat and reproduce revised Schedule G.	1.50
10-30-98	JAD	Review and analyze documents relating to facilities leases.	1.50
10-30-98	JAD	Discuss format of Schedule G with legal counsel.	0.50
10-30-98	JAD	Perform final review of Schedule G work product and back-up.	4.00
11-02-98	DCJ	Discussion with Kucma & Miller regarding professional service contracts.	0.90
11-02-98	DCJ	Updated database to maintain all executory contracts, agreements, leases and personnel contracts.	2.30
11-02-98	DCJ	Travel.	1.20
11-02-98	DCJ	Obtained and reviewed professional and service contracts/agreements for relevance relating to the schedule G.	3.10
11-02-98	DCJ	Prepare preliminary draft of Schedule G, sent to Latham & Watkins, discussion with Fink.	4.50
11-03-98	DCJ	Obtained and reviewed professional and service contracts/agreements for	

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
 Mr. Steve Miller  
 President & CEO  
 565 Taxter Road  
 Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
 Client/Matter # 1442-00001

Date	Consultant	Description of Services	Hours
		relevance relating to the schedule G.	2.40
11-03-98	DCJ	Updated database to maintain all executory contracts, agreements, leases and personnel contracts.	2.90
11-03-98	DCJ	Discussion with Travis regarding accuracy of personnel agreement information on Schedule G.	1.00
11-03-98	DCJ	Discussion with Leggio regarding accuracy of servicing contract information on Schedule G.	1.40
11-03-98	DCJ	Discussion with Kucma & Miller regarding professional service contracts.	2.00
11-04-98	DCJ	Returned files, documents findings, and performed final review of schedule G.	1.70
11-04-98	DCJ	Updated database for revisions to all executory contracts, agreements, leases and personnel contracts information.	2.40
11-04-98	DCJ	Review of and discussions with MacIntyre regarding accuracy of property and equipment leases and contracts information on Schedule G.	2.00
11-04-98	DCJ	Discussed final schedule G with Fink at Latham & Watkins.	1.40
11-04-98	DCJ	Obtained and reviewed real property lease agreements for accuracy on schedule G.	0.90
11-04-98	DHM	Status review of examiner and DIP orders and issues.	0.50
11-05-98	LEL	Phone call with truitt to discuss liquidation analysis and affidavit.	0.20
11-07-98	DHM	Discussion with Steve Miller, CEO of Cityscape and Mel Christiansen regarding actions taken by Weil	

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
Client/Matter # 1442-00001

Date	Consultant	Description of Services	Hours
		Gotshal. reviewed document request, commencement of preparation of response.	2.00
11-09-98	LEL	Reviewed Cityscape subpoenas and document request lists.	1.10
11-09-98	LEL	Phone calls with Truitt and Burns of L&W to discuss subpoena and liquidation analysis affidavit.	0.40
11-09-98	LEL	Phone call with Hamilton to discuss business plan documents requested.	0.10
11-09-98	LEL	Prepared business plan files and save all versions and iterations in order to send to Latham & Watkins.	0.80
11-10-98	DHM	Reviewed documents regarding Cityscape objections to confirmation. Production of documents to respond to Weil Gotshal subpoena. Discussion with Mel Christiansen regarding subpoena and legal counsel. Discussion with Larry Leonard regarding documents to produce from Cityscape. Reviewed draft affidavit regarding liquidation analysis and possible testimony. Reviewed supplemental affidavit responding to WGM's objection.	9.00
11-10-98	LEL	Phone calls with Midanek regarding document request and liquidation analysis.	0.50
11-10-98	LEL	Phone call with Mailer of Latham & Watkins to discuss business plan files.	0.20
11-10-98	LEL	Phone call with L. Rulli to discuss gathering of business plan information and all versions prepared during engagement leading	

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
Client/Matter # 1442-00001

Date	Consultant	Description of Services	Hours
		up to filing of disclosure statement for Elliot Associates request.	0.30
11-10-98	LEL	Prepared summary of 10/5 payment to JA&A and faxed with invoices as support to Latham & Watkins.	0.90
11-10-98	LEL	Phone call with Rulli to assist in determination of what files are germane to the documents requested by the attorneys for Elliott Associates.	0.40
11-11-98	DHM	Reviewed documents. Phone calls to Latham and Weil Gotshal regarding deposition. Giving deposition at Weil Gotshal. Meeting at Latham and Watkins regarding supplemental affidavit and further discussion of liquidation analysis.	8.00
11-11-98	LEL	Phone call with Hamilton to discuss business plan document request.	0.10
11-11-98	LEL	Phone calls to discuss liquidation analysis in detail.	0.50
11-11-98	LEL	Phone call with Fink and Zwick of Latham & Watkins to discuss liquidation analysis.	0.20
11-11-98	LEL	Phone call with Truitt to discuss potential revisions to liquidation analysis affidavit.	0.10
11-11-98	LEL	Reviewed affidavit concerning liquidation analysis, made edits and notes.	0.70
11-11-98	LEL	Prepared and faxed to Midanek support to liquidation analysis.	0.90
11-12-98	DHM	Prepared for tesimony on Cityscape confirmation. Reviewed documents. Conversations with management regarding exit financing commitments.	6.00

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
Client/Matter # 1442-00001

Date	Consultant	Description of Services	Hours
11-12-98	LEL	Phone call with Bartashunas, Ledwick to discuss business plan prepared for disclosure statement.	0.30
11-13-98	DHM	Attended confirmation hearing.	1.50
11-13-98	DHM	Reviewed and discussed Cityscape status and prospective sources of DIP financing. Discussions with management, counsel and prospective sources of financing.	3.00
11-14-98	DHM	Discussions regarding alternative sources of financing, loan sales.	1.00
11-19-98	DHM	Reviewed Cityscape status regarding confirmation hearing.	0.50
12-15-98	DHM	Status review with Steve Miller.	1.00
Total Hours			----- 190.40 =====

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
Client/Matter # 1442-00001

Fee Recap:

Consultant	Hours	Rate	Amount
David C. Johnston	86.90	\$ 180.00	\$ 15,642.00
John A. Dischner	47.50	\$ 180.00	\$ 8,550.00
Laurence E Leonard	7.70	\$ 225.00	\$ 1,732.50
Deborah H Midanek	48.30	\$ 460.00	\$ 22,218.00
	-----		-----
Total Hours & Fees	190.40		\$ 48,142.50
	=====		=====

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
 Mr. Steve Miller  
 President & CEO  
 565 Taxter Road  
 Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
 Client/Matter # 1442-00001

Date	Disbursement Description	Amount
10-29-98	Meals & Tips; 10/23/98; Laurence E. Leonard	20.00
10-29-98	Rental Car; 10/23/98; Laurence E. Leonard	161.86
10-29-98	Parking & Tolls; TOLLS 10/23/98; Laurence E. Leonard	3.50
10-29-98	Meals & Tips; 10/27/98; David C. Johnston	60.00
10-29-98	Meals & Tips; TIPS 10/27/98; David C. Johnston	8.00
10-29-98	Meals & Tips; 10/27/98; David C. Johnston	3.67
10-29-98	Airfare; IAH/LGA 10/22/98; Laurence E. Leonard	1,040.00
10-29-98	Meals & Tips; 10/26/98; David C. Johnston	33.37
10-29-98	Meals & Tips; TIPS 10/26/98; David C. Johnston	13.00
10-29-98	Mileage; 10/26/98; David C. Johnston	9.10
10-29-98	Meals & Tips; 10/26/98; David C. Johnston	8.40
10-29-98	Airfare; ORD/LGA/ORD 10/26-30/98; Dischner, John	1,177.00
10-29-98	Meals & Tips; 10/26/98; Dischner, John	10.00
10-29-98	Cab Fare / Ground Transportation; 10/26/98; Dischner, John	51.00
10-30-98	Meals & Tips; 10/28/98; Dischner, John	71.19
10-30-98	Meals & Tips; 10/28/98; David C. Johnston	14.00
10-30-98	Meals & Tips; 10/28/98; David C. Johnston	29.46
10-30-98	Meals & Tips; TIPS 10/28/98; David C. Johnston	5.00
10-30-98	Meals & Tips; 10/28/98; David C. Johnston	4.00
10-30-98	Lodging; 10/29/98; David C. Johnston	778.57
10-30-98	Meals & Tips; 10/29/98; David C. Johnston	12.43
10-30-98	Meals & Tips; TIPS 10/29/98; David C. Johnston	8.00
10-30-98	Cab Fare / Ground Transportation; 10/29/98; David C. Johnston	13.00
10-30-98	Meals & Tips; 10/29/98; David C. Johnston	5.50
10-30-98	Meals & Tips; 10/30/98; David C. Johnston	11.00
10-30-98	Meals & Tips; 10/30/98; David C. Johnston	9.43
10-30-98	Parking & Tolls; 10/30/98; David C. Johnston	28.50
10-30-98	Rental Car; ADJ. - 10/23/98; Laurence E. Leonard	<161.86>
10-30-98	Lodging; Tarrytown, NY 10/26-29/98; Dischner, John	715.03
10-30-98	Meals & Tips; R. Fink, S. Clouston, E. DeMovie, DCJ & JAD 10/29/98; Dischner, John	187.50

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
 Mr. Steve Miller  
 President & CEO  
 565 Taxter Road  
 Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
 Client/Matter # 1442-00001

Date	Disbursement Description	Amount
10-30-98	Cab Fare / Ground Transportation; CABS 10/29/98; Dischner, John	30.00
10-30-98	Meals & Tips; 10/27/98; Dischner, John	52.79
10-30-98	Cab Fare / Ground Transportation; CAB FROM AIRPORT 10/30/98; Dischner, John	25.00
10-30-98	Cab Fare / Ground Transportation; CAB FROM CITYSCAPE TO AIRPORT 10/30/98; Dischner, John	25.00
10-30-98	Other; 10/30/98; Dischner, John	45.00
10-30-98	Fax Charges; 10/26/98	1.50
11-18-98	Computer Supplies / Support; ZIP DISKS 11/9/98; Laurence E. Leonard	64.94
11-18-98	Parking & Tolls; 11/10/98; Deborah H. Midanek	43.00
11-18-98	Parking & Tolls; 11/11/98; Deborah H. Midanek	47.00
11-18-98	Lodging; 11/3/98; David C. Johnston	532.46
11-18-98	Meals & Tips; 11/3/98; David C. Johnston	17.00
11-18-98	Meals & Tips; 11/3/98; David C. Johnston	46.00
11-18-98	Meals & Tips; TIPS 11/3/98; David C. Johnston	4.00
11-18-98	Other; LAUNDRY 11/3/98; David C. Johnston	22.00
11-18-98	Meals & Tips; 11/2/98; David C. Johnston	6.57
11-18-98	Meals & Tips; 11/2/98; David C. Johnston	25.00
11-18-98	Meals & Tips; TIPS 11/2/98; David C. Johnston	3.00
11-18-98	Mileage; 11/2/98; David C. Johnston	9.10
11-18-98	Meals & Tips; 11/2/98; David C. Johnston	2.00
11-19-98	Cab Fare / Ground Transportation; 10/30,11/1,6 - D Johnston; 10/21,24 - L Leonard; National Car Rental	1,756.71
11-19-98	Postage; 10/6 - 2 to Latham & Watkins; 1 from CSK Int'l; Zoom Messenger Service, Inc.	33.00
11-30-98	Airfare; DJ - Lans-Det-NY-Det-GRapids; American Express	801.00
11-30-98	Long Distance Calls; AT&T 11/6/98; Deborah H. Midanek	28.04
11-30-98	Fax Charges; 11/10/98	2.00
01-20-99	Long Distance Calls; BELL ATLANTIC 11/25-12/24/98; Deborah H. Midanek	7.52
01-20-99	Long Distance Calls; AT&T 12/6/98; Deborah H. Midanek	33.40



**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
Client/Matter # 1442-00001

Total Disbursements	\$	7,992.68
		=====

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-1

Re: Case Management  
Client/Matter # 1442-00001

Disbursement Recap:

Description	Amount
Airfare	3,018.00
Cab Fare / Ground Transportation	1,900.71
Computer Supplies / Support	64.94
Fax Charges	3.50
Lodging	2,026.06
Long Distance Calls	68.96
Meals & Tips	670.31
Mileage	18.20
Other	67.00
Parking & Tolls	122.00
Postage	33.00
Rental Car	0.00
	-----
Total Disbursements	\$ 7,992.68
	=====

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-2

Re: Chapter 11 Reporting Requirements  
Client/Matter # 1442-00002

Date	Consultant	Description of Services	Hours
10-15-98	DHM	Attended hearing regarding examiner motion and waiver of filing of financial schedules.	3.00
10-16-98	DHM	Discussions regarding Cityscape communication and financial schedule issues.	3.50
10-20-98	DHM	Conference call regarding Cityscape status with Steve Miller. Further conference calls with Mr. Miller and counsel regarding order appointing examiner and work required to comply with need to file SOFA and schedules related thereto.	1.90
10-21-98	DHM	Follow up regarding staffing for Cityscape SOFA filing. Reviewed examiners motion revision of retention-app - JA&A.	0.50
10-23-98	DHM	Meetings with Larry Leonard and Steve Miller regarding schedules and response to examiner request.	1.50
10-23-98	LEL	Prepared list and summary of contracts/agreements reviewed.	1.50
10-23-98	LEL	Met with Hamilton to discuss preparation of schedule G - executory contracts.	0.70
10-23-98	LEL	Met with Ledwick, Carl, Cronk, Travis, Macintyre (separately) to inquire about and collect copies of executory contracts.	1.30
10-23-98	LEL	Phone call with Leggio to inquire about executory contracts.	0.20
10-23-98	LEL	Reviewed real property lease files for all Cityscape locations.	2.40
10-23-98	LEL	Reviewed employment agreements for all contract employees.	2.00
10-23-98	LEL	Phone call with Fink to discuss schedules of assets and liabilities.	0.30

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
 Mr. Steve Miller  
 President & CEO  
 565 Taxter Road  
 Elmsford, NY 10523-2300

Invoice # 13446194-2

Re: Chapter 11 Reporting Requirements  
 Client/Matter # 1442-00002

Date	Consultant	Description of Services	Hours
10-23-98	LEL	Prepared memorandum to Hamilton, Fink stating status of preparation of schedule of executory contracts.	0.90
10-23-98	LEL	Reviewed various maintenance and equipment lease contracts.	1.60
10-27-98	LEL	Phone call with Johnston to discuss Cityscape and Cityscape executory contracts.	0.50
10-28-98	DHM	Reviewed progress regarding schedules and statements of financial affairs. Discussion of various responses to examiner request.	1.70
10-30-98	DHM	Reviewed status of work on schedules, SOFA and examiner at Cityscape. .	0.50
11-03-98	DHM	Status review regarding examiners report, filings, management updates.	0.50
Total Hours			----- 24.50 =====

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-2

Re: Chapter 11 Reporting Requirements  
Client/Matter # 1442-00002

Fee Recap:

Consultant	Hours	Rate	Amount
Laurence E Leonard	11.40	\$ 225.00	\$ 2,565.00
Deborah H Midanek	13.10	\$ 460.00	\$ 6,026.00
	-----		-----
Total Hours & Fees	24.50		\$ 8,591.00
	=====		=====

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-3

Re: Administration & General Bankruptcy Matters  
Client/Matter # 1442-00003

Date	Consultant	Description of Services	Hours
02-16-99	LEL	Telephone call with Truitt, Zwick to discuss the preparation of fee application.	0.30
02-16-99	LEL	Reviewed JA&A retention motion and order, begin to prepare narrative for fee application.	1.20
02-17-99	LEL	Reviewed and revise time description and detail provided for fee application.	0.80
02-17-99	LEL	Continue to prepare fee application, send draft to R. Costa for review.	1.10
02-23-99	LEL	Reviewed and edit fee application.	1.00
02-25-99	LEL	Reviewed Dischner time descriptions and edit narrative section of fee application.	1.00
03-03-99	LEL	Review fee application and make final edits.	0.70
		Total Hours	----- 6.10 =====

**JAY ALIX & ASSOCIATES**  
**4000 Town Center**  
**Suite 500**  
**Southfield, MI 48075**

Cityscape Financial  
Mr. Steve Miller  
President & CEO  
565 Taxter Road  
Elmsford, NY 10523-2300

Invoice # 13446194-3

Re: Administration & General Bankruptcy Matters  
Client/Matter # 1442-00003

Fee Recap:

Consultant	Hours	Rate	Amount
Laurence E Leonard	6.10	\$ 225.00	\$ 1,372.50
	-----		-----
Total Hours & Fees	6.10		\$ 1,372.50
	=====		=====

**EXHIBIT D**

**Cityscape Financial Corp. and Cityscape Corp.  
Summary of Jay Alix & Associates Expenses  
Final Fee Application October 6 to March 5, 1999**

<b>Expense Categories</b>	<b><u>Amount</u></b>
Meals & Tips	\$ 670.31
Overnight mail, postage, & long distance charges	237.40
Airfare, Lodging & Ground Transportation	<u>7,084.97</u>
<b>Total Payment For Expenses Being Sought:</b>	<b>\$7,992.68</b>



**DEBORAH HICKS MIDANEK**  
**Principal**

Deborah Midanek specializes in restructuring service businesses. She is adept at implementing change rapidly while winning and maintaining the confidence of multiple constituents – management, employees, investors, vendors, and customers. Her approach includes development and adherence to a clearly defined process and a steady, disciplined team oriented approach to implementing change.

Most recently Deborah served as restructuring advisor to a large sub prime mortgage lender operating in a highly regulated environment. Her accomplishments included stabilizing the company by bringing in additional sources of liquidity and assisting in the sale of certain assets to raise working capital; developing and implementing a plan to streamline the organization and improve company operations; supervising the development of cash controls and forecasting procedures, and overseeing the construction of a comprehensive financial model for the company and its affiliates. She worked closely with management to develop a communications program for internal and external constituents, and to negotiate a plan with its investors and lenders to restructure the company's capital structure.

In other restructuring activities, Deborah served as CEO, board member, or advisor to management in various private and public companies. As CEO and Chairman of a NYSE traded home improvement retailer, she negotiated the sale of the company, restructured its operations to reduce cost and improve liquidity, and completed the company's successful reorganization, paying senior and secured debt in full and providing for greater than expected recoveries to unsecured creditors.

As chairman of the Equity committee of Drexel Burnham Lambert Group in its Chapter 11 proceeding, Deborah negotiated an unexpectedly large recovery for shareholders. Also serving as chairman of the board, she restructured it to enhance its independence. In her board capacity she oversaw all of the portfolio decisions made in the multibillion-dollar portfolio of troubled operating company assets. The Drexel case was resolved in record time; recoveries far exceeded expectations.

Deborah co-founded and served as CEO of an investment advisory firm serving Fortune 100 institutional investors, which she sold to a major institutional investment advisor in 1998. She also headed a mutual fund complex, growing it to \$1 billion in assets in less than one year, and has advised numerous financial institutions on portfolio issues, capital adequacy, financial controls, and regulatory compliance matters. Her firm, Solon Asset Management, was particularly well known for its work in risk management related to derivatives exposure.

Earlier in her career, Deborah was responsible for new product development in the Structured Finance area of Drexel. She was an early member of the Capital Markets group at Bankers Trust, serving on the strategic planning staff of the Chairman, developing and monitoring variance analyses for certain key business units, and identifying and effecting the sale of non-core divisions and affiliates. She previously served in a similar capacity at ConRail, Inc.

Deborah earned an MBA from The Wharton School of the University of Pennsylvania and a Bachelors degree from Bryn Mawr College. She is a trustee of the Committee for Economic Development and of Warren Wilson College, a member of the Trustees Council of Penn Women, the Turnaround Management Association, and the New York Society of Securities Analysts.

## **LAURENCE E. LEONARD**

Larry Leonard's business experience has focused on assisting debtors and creditors in troubled company situations, both in and out-of-court. The scope of his work has included the development of cash management programs to monitor and improve working capital and operational cash flow, preparation of strategic business plans and cash forecasts, identification and implementation of cost reductions, business plan review and due diligence, and strategies to improve operational profitability. He has experience in retail, financial services, real estate, health care services, and manufacturing.

Prior to joining Jay Alix & Associates, Larry was a senior consultant with the Corporate Finance, Recovery & Disputes Group of Price Waterhouse LLP in New York. He earned a Bachelor of Arts degree in economics from Princeton University.

## **JOHN A. DISCHNER**

John Dischner specializes in business reorganization, bankruptcy and crisis management services. He has extensive experience working on deal teams for closed deals, which included mergers and acquisitions, private placement financing, public offerings and fairness opinions. His engagements have covered a variety of industries including industrial, retail, environmental, and distribution and travel.

Prior to joining Jay Alix & Associates, John was an associate in the corporate finance group at Mesrow Financial, Inc. He began his career as a consultant in the financial advisory services group of Ernst & Young.

John earned a Master of Business Administration with an emphasis in finance and marketing from Carnegie Mellon University. He earned a Bachelor of Arts degree in economics and European history with a math concentration from Northwestern University.

## **DAVID C. JOHNSTON**

David's business experience has focused on financial and operational analysis for troubled companies. He has developed and implemented cash management programs to monitor and improve working capital and operational cash flow, performed due diligence, completed preference analyses, and performed extensive investigative audits.

Prior to joining Jay Alix & Associates, David was in the audit and tax practice at Plante & Moran, L.L.P., Detroit. He consulted clients in financial matters, including cost reduction, profit enhancement, tax beneficial strategies and corporate finance. Working with both private and public corporations, David gained significant experience in manufacturing, distribution, and service related companies. He has also gained extensive knowledge of the reporting requirements, tax, and operations of pharmaceutical research & development and international manufacturing/distribution companies.

David is a certified public accountant and holds a bachelor's degree in Economics & Management and Accounting from Albion College.

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

**IN RE:** ) **CHAPTER 11**  
 )  
**CITYSCAPE FINANCIAL CORP.,** )  
**and CITYSCAPE CORP.** ) **Case Nos. 98-B-22569 (ASH)**  
 ) **and 98-B-22570 (ASH)**  
**Debtors.** )  
 )  
 ) **JOINTLY**  
 ) **ADMINISTERED**  
 )

**ORDER AUTHORIZING FINAL COMPENSATION  
TO JAY ALIX & ASSOCIATES AS  
CONSULTANTS TO THE DEBTORS IN POSSESSION**

At a session of said Court held on

**PRESENT: HONORABLE ADLAI S. HARDIN, JR.  
U.S. BANKRUPTCY JUDGE**

This matter having come before the Court on the application of Jay Alix & Associates for Final Allowance of Compensation and Reimbursement of Expenses as Consultants to the Debtors in Possession; no objections having been filed and the Court being fully advised in the premises;

**IT IS HEREBY ORDERED** that fees are awarded to Jay Alix & Associates in the amount of \$58,106.00 and reimbursement of expenses in the amount of \$7,992.68.

**HONORABLE ADLAI S. HARDIN, JR.  
U.S. BANKRUPTCY JUDGE**