

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:) Chapter 11
)
 COLLINS & AIKMAN CORPORATION, et al.¹) Case No. 05-55927 (SWR)
) (Jointly Administered)
 Debtors.)
) (Tax Identification #13-3489233)
)
) Honorable Steven W. Rhodes

**FOURTH AND FINAL FEE APPLICATION OF ERNST & YOUNG LLP FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR SERVICES
RENDERED AS FORENSIC ACCOUNTANTS TO THE DEBTORS FOR THE PERIOD
SEPTEMBER 12, 2005 THROUGH DECEMBER 31, 2006**

Name of Applicant:	Ernst & Young LLP
Authorized to Provide Professional Services to:	Debtors
Date of Assumption of Executory Contract with Ernst & Young LLP:	September 12, 2005
Date of Entry of Order Authorizing Assumption of Engagement Letter with Ernst & Young LLP:	Order Entered on September 12, 2005 (Docket No. 1145)
Fee Period for Which Compensation and Reimbursement is Sought:	September 12, 2005 through December 31, 2006
Amount of Compensation Requested:	\$ 3,393.344.00

¹ The Debtors in the jointly administered cases include: Collins & Aikman Corporation; Amco Convertible Fabrics, Inc., Case No. 05-55949; Becker Group, LLC (d/b/a/ Collins & Aikman Premier Mold), Case No. 05-55977; Brut Plastics, Inc., Case No. 05-55957; Collins & Aikman (Gibraltar) Limited, Case No. 05-55989; Collins & Aikman Accessory Mats, Inc. (f/k/a the Akro Corporation), Case No. 05-55952; Collins & Aikman Asset Services, Inc., Case No. 05-55959; Collins & Aikman Automotive (Argentina), Inc. (f/k/a Textron Automotive (Argentina), Inc.), Case No. 05-55965; Collins & Aikman Automotive (Asia), Inc. (f/k/a Textron Automotive (Asia), Inc.), Case No. 05-55991; Collins & Aikman Automotive Exteriors, Inc. (f/k/a Textron Automotive Exteriors, Inc.), Case No. 05-55958; Collins & Aikman Automotive Interiors, Inc. (f/k/a Textron Automotive Interiors, Inc.), Case No. 05-55956; Collins & Aikman Automotive International, Inc., Case No. 05-55980; Collins & Aikman Automotive International Services, Inc. (f/k/a Textron Automotive International Services, Inc.), Case No. 05-55985; Collins & Aikman Automotive Mats, LLC, Case No. 05-55969; Collins & Aikman Automotive Overseas Investment, Inc. (f/k/a Textron Automotive Overseas Investment, Inc.), Case No. 05-55978; Collins & Aikman Automotive Services, LLC, Case No. 05-55981; Collins & Aikman Canada Domestic Holding Company, Case No. 05-55930; Collins & Aikman Carpet & Acoustics (MI), Inc., Case No. 05-55982; Collins & Aikman Carpet & Acoustics (TN), Inc., Case No. 05-55984; Collins & Aikman Development Company, Case No. 05-55943; Collins & Aikman Europe, Inc., Case No. 05-55971; Collins & Aikman Fabrics, Inc. (d/b/a Joan Automotive Industries, Inc.), Case No. 05-55963; Collins & Aikman Intellimold, Inc. (d/b/a M&C Advanced Processes, Inc.), Case No. 05-55976; Collins & Aikman Interiors, Inc., Case No. 05-55970; Collins & Aikman International Corporation, Case No. 05-55951; Collins & Aikman Plastics, Inc., Case No. 05-55960; Collins & Aikman Products Co., Case No. 05-55932; Collins & Aikman Properties, Inc., Case No. 05-55964; Comet Acoustics, Inc., Case No. 05-55972; CW Management Corporation, Case No. 05-55979; Dura Convertible Systems, Inc., Case No. 05-55942; Gamble Development Company, Case No. 05-55974; JPS Automotive, Inc. (d/b/a PACJ, Inc.), Case No. 05-55935; New Baltimore Holdings, LLC, Case No. 05-55992; Owosso Thermal Forming, LLC, Case No. 05-55946; Southwest Laminates, Inc. (d/b/a Southwest Fabric Laminators Inc.), Case No. 05-55948; Wickes Asset Management, Inc., Case No. 05-55962; and Wickes Manufacturing Company, Case No. 05-55968.

Amount of Expense Reimbursement Requested:	\$ 556,747.00
Total Compensation and Expense Reimbursement Requested:	\$ 3,950,089.00
This Is:	Fourth and Final Fee Application
Blended Rate of Professionals	\$ 385.77

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SEPTEMBER 12, 2005 THROUGH DECEMBER 31, 2006**

In accordance with the Court’s Administrative Order, Pursuant to Section 331 of the Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the “Bankruptcy Code”), Establishing Procedures for Monthly Compensation and Reimbursement of Expenses for Professionals and Official Committee Members [Docket No. 290] (the “Interim Compensation Order”), Ernst & Young LLP (“E&Y”), hereby submits its Fourth and Final Fee Application (the “Application”) for the Fee Period commencing September 12, 2005 and concluding December 31, 2006 (the

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“Compensation Period”). E&Y seeks final approval and allowance, pursuant to Sections 330 and 331 of the Bankruptcy Code, of the full amount of the fees and expenses incurred by E&Y on behalf of Debtors during the Compensation Period, and authorization for the Debtors to pay any unpaid amounts of such requested fees. In support of its Application, E&Y respectfully represents as follows:

Background

1. On May 17, 2005 (the “Petition Date”), the Debtors filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases. On the Petition Date, the Court entered an order jointly administering these cases pursuant to Bankruptcy Rule 1015(b).

2. On May 24, 2005, the United States Trustee appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the “Committee”).

3. The Debtors and their non-debtor affiliates are leading global suppliers of automotive components, systems and modules to all of the world’s largest vehicle manufacturers, including DaimlerChrysler AG, Ford Motor Company, General Motors Corporation, Honda Motor Company, Inc., Nissan Motor Company Unlimited, Porsche Cars GB, Renault Créateur D’Automobiles, Toyota SA and Volkswagen AG.

Assumption of the Debtors’ Engagement Letter with E&Y

4. On or about March 17, 2005, Collins & Aikman Corporation (“C&A”) publicly announced that during the course of finalizing its financial statements for its fiscal year ended December 31, 2004, it had identified certain accounting for supplier rebates that led to premature or inappropriate revenue recognition, or that was inconsistent with relevant accounting standards

and C&A's policies and practices. C&A further announced that it had initiated an internal review of these matters and that it expected that certain restatements of its financial results would be required.

5. On or about March 24, 2005, C&A publicly disclosed that the audit committee of its board of directors (the "Audit Committee") had determined to conduct an independent investigation into these matters (the "Rebate Investigation"). C&A further disclosed, on or about March 24, 2005, that the Audit Committee had retained Davis Polk & Wardwell ("DPW") as independent counsel to assist it in the Rebate Investigation. DPW had, in turn, with the approval of the Audit Committee, retained E&Y, pursuant an agreement dated March 30, 2005, by and among C&A, DPW, and E&Y (the "Letter Agreement"), to provide forensic accounting services in connection with the Rebate Investigation. While DPW was engaged by the Audit Committee and the non-management directors of C&A (the "Independent Directors"), not C&A as a whole, and E&Y had been retained directly by DPW, each of their fees and expenses relating to this representation were to be paid by C&A, pursuant to the terms of the Letter Agreement in the case of E&Y.

6. On or about May 12, 2005, C&A announced, among other things, that the scope of the Rebate Investigation would include C&A's forecasts for the first quarter of 2005 and related matters, as well as other matters that have arisen in the course of the Rebate Investigation.

7. By this Court's order dated September 12, 2005 (the "Assumption Order"), the Debtors were authorized to assume their prepetition Letter Agreement with E&Y. A copy of the Assumption Order is attached hereto as **Exhibit A**. The Assumption Order authorizes the Debtors to compensate E&Y at E&Y's hourly rates charged for services of this type, and to

reimburse E&Y for E&Y's actual and necessary out-of-pocket expenses incurred, subject to E&Y's adherence with the Interim Compensation Order.

Fees and Expenses Requested

8. E&Y makes this Application pursuant to the following: (a) sections 330 and 331 of Title 11 of the United States Code (the "Bankruptcy Code"), (b) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rules 2016-1 and 9014-1 of the Local Rules for the United States Bankruptcy Court, Eastern District of Michigan (the "Local Rules"), (c) the Assumption Order (defined below) relating to the Debtors' agreement with E&Y, and (d) the Interim Compensation Order.

9. Pursuant to the Interim Compensation Order, professionals retained in the Case were authorized to serve a statement of fees and expenses ("Monthly Fee Statement") for payment on a monthly basis.³ Assuming no party receiving the Monthly Fee Statement objected thereto, the Debtors were authorized to pay 80% of the fees, and 100% of the expenses, requested in such Monthly Fee Statements.

10. E&Y has served sixteen Monthly Fee Statements and three interim fee applications during the Compensation Period. The following chart summarizes the amount of fees and expenses incurred and requested by E&Y during the Compensation Period.

³ Pursuant to the Assumption Order (defined below), E&Y was also required to apply for approval of its compensation pursuant to the Interim Compensation Order.

Fee Application Date ⁴	Type/ Period Covered	Requested Fees ⁵	Approved Fees ⁶	Requested Expenses	Approved Expenses ⁵	Amount Received to Date
10/20/05	Monthly 05/17/05 - 09/30/05	\$ 133,896.00	n/a	\$ 30,700.00	n/a	\$ 164,596.00
11/25/05	Monthly 10/01/05 - 10/31/05	\$ 278,050.40	n/a	\$ 62,936.00	n/a	\$ 340,986.40
12/20/05	Monthly 11/01/05 - 11/30/05	\$ 269,299.20	n/a	\$ 61,319.00	n/a	\$ 330,618.20
01/17/06	Monthly 12/01/05 - 12/31/05	\$ 233,205.60	n/a	\$ 51,395.00	n/a	\$ 284,600.60
01/26/06	First Interim ⁷ 05/17/05 - 12/31/05	\$ 1,143,064.00	\$1,143,064.00	\$ 206,350.00	\$206,350.00	\$1,349,414.00
02/17/06	Monthly 01/01/06 - 01/31/06	\$ 241,078.40	n/a	\$ 53,727.00	n/a	\$ 294,805.40
03/16/06	Monthly 02/01/06 - 02/28/06	\$ 264,952.80	n/a	\$ 59,742.00	n/a	\$ 324,694.80
04/11/06	Monthly 03/01/06 - 03/31/06	\$ 336,609.60	n/a	\$ 77,125.00	n/a	\$ 413,734.60
05/23/06	Monthly 04/01/06 - 04/30/06	\$ 118,992.80	n/a	\$ 18,353.00	n/a	\$ 137,345.80
06/08/06	Second Interim ⁷ 01/01/06 - 04/30/06	\$ 1,202,042.00	\$1,202,042.00	\$ 208,947.00	\$208,947.00	\$1,410,988.00
06/08/06	Monthly 05/01/06 - 05/31/06	\$ 181,312.80	n/a	\$ 26,109.00	n/a	\$ 207,421.80
07/28/06	Monthly 06/01/06 - 06/30/06	\$ 188,228.00	n/a	\$ 32,148.00	n/a	\$ 220,376.00
08/31/06	Monthly 07/01/06 - 07/31/06	\$ 73,690.40	n/a	\$ 13,945.00	n/a	\$ 87,635.40
09/28/06	Monthly 08/01/06 - 08/31/06	\$ 142,468.80	n/a	\$ 22,108.00	n/a	\$ 164,576.80

Fee Application Date ⁴	Type/ Period Covered	Requested Fees ⁵	Approved Fees ⁶	Requested Expenses	Approved Expenses ⁵	Amount Received to Date
10/13/06	Third Interim ⁷ 05/01/06 - 08/31/06	\$ 732,124.00	\$ 732,124.00	\$ 94,310.00	\$ 94,310.00	\$ 826,434.00
10/31/06	Monthly 09/01/06 – 09/30/06	\$ 121,500.00	n/a	\$ 26,859.00	n/a	\$ 148,359.00
11/21/06	Monthly 10/01/06 – 10/31/06	\$ 69,498.40	n/a	\$ 10,120.00	n/a	\$ 79,618.40
12/14/06	Monthly 11/01/06 – 11/30/06	\$ 29,808.00	n/a	\$ 4,898.00	n/a	\$ 34,706.00
01/09/06	Monthly 12/01/06 – 12/31/06	\$ 32,084.00	n/a	\$ 5,263.00	n/a	\$.00
Subtotal 9/01/06 -12/31/06		\$ 316,113.40	n/a	\$ 47,140.00	n/a	\$ 262,683.40
Total	Final 5/17/05 -- 12/31/06	\$ 3,393,344.00	n/a	\$ 556,747.00	n/a	\$ 3,849,519.40

11. Pursuant to the aforementioned Monthly Fee Statements, E&Y has incurred fees totaling \$3,393,344.00 and expenses totaling \$556,747.00 for the Monthly Fee Statements during the Compensation Period. Included in these amounts are unpaid fees and expenses previously requested in E&Y's September, October, November and December 2006 Monthly Fee Statements in the amount of \$100,569.60 (representing fees totaling \$95,306.60 and expenses totaling \$5,263.00).

⁴ Under the Interim Compensation Order, Monthly Fee Statements are not filed with the Court. Therefore, with respect to a Monthly Fee Statement, this date refers to the date it was served pursuant to the Interim Compensation Order.

⁵ With respect to Monthly Fee Statements, this amount represents 80% of actual fees for the period. For Interim Fee Applications, this amount equals 100% of the actual fees for the period.

⁶ Under the Interim Compensation Order, unless an objection is received, Court approval is not required for Monthly Fee Statements. Therefore this amount is not given with respect to Monthly Fee Statements.

⁷ Note that fees and expenses in an Interim Fee Application are simply the sum of the fees (plus the 20% fee holdback) and expenses in the Monthly Fee Statements for the same period. If the Court allows the fees and expenses in an Interim Fee Application, only those amounts for which payment has not been received in connection with a Monthly Fee Statement are actually due and payable.

Reasonable and Necessary Services Rendered by Ernst & Young LLP

12. Attached hereto as **Exhibit B** are summaries of hours billed and fees incurred by E&Y during the Compensation Period.

13. During the Compensation Period, E&Y worked closely with Davis Polk & Wardwell (“DPW”) in their quest to determine the facts surrounding, the extent of and cause of any accounting or other financial irregularities within the scope of the Rebate Investigation. E&Y participated in interviews conducted by DPW of current and former C&A personnel in order, among other things, to gain an understanding of how multiple transactions were structured and how properly to account for them. E&Y reviewed financial documents relating to hundreds of accounting transactions (including accounting journal entries made at the plant level and transaction agreements) to develop an understanding of these transactions and determine whether they were accounted for properly.

14. On the information technology side of the Rebate Investigation, E&Y was equally engaged. By way of example, E&Y conducted the retrieval and archival of a significant amount of electronic information, including e-mail and other documents. During the Compensation Period, E&Y processed over 3,528,000 e-mails and user document files.

15. The ultimate goal of E&Y and DPW was to provide their findings to the Audit Committee, C&A’s auditors and certain government regulators to enable C&A to both generate accurate financial information to support business decisions and to obtain financial statements certified by an independent auditor.

16. The rates charged during this engagement are E&Y’s hourly rates for services of the type provided during the Compensation Period. Based on these rates and the services performed by each individual, the total reasonable value of services rendered during the

Compensation Period is \$3,393,344. E&Y professionals expended a total of 8796.2 hours working on the Rebate Investigation during the Compensation Period. In accordance with the factors enumerated in Section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (a) the complexity of the chapter 11 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 the Bankruptcy Code. See, e.g., *In re Moss*, 320 B.R. 143, 156-57 (Bankr. E.D. Mich. 2005); *In re Ray*, 314 B.R. 643, 662-63 (Bankr. M.D. Tenn. 2004); *In re Chary*, 201 B.R. 783, 787-88 (Bankr. W.D. Tenn. 1996).

17. The attached **Exhibit C**: (a) identifies the individuals who rendered services; (b) describes each activity or service that each individual performed; and (c) states the number of hours (in increments of one-tenth of an hour) spent by each individual providing the services during the Compensation Period.

18. The attached **Exhibit E**: (a) identifies the individuals that incurred expenses; and (b) describes each expense incurred during the Compensation Period.

19. Local Rule 2016 requires accounting firms to include biographical information for accountants billing fees during a chapter 11 case. The attached **Exhibit D** includes brief biographical profiles of E&Y professionals who provided services during the Compensation Period.

Representation

20. This Application is E&Y's fourth and final fee application pursuant to the Interim Compensation Order, covering the period from September 12, 2005 through December 31, 2006.

21. The total time spent by E&Y during the Compensation Period covered by this final fee application was 8796.2 hours, which represents fees of \$3,393,344.00. The average hourly rate for the services rendered was approximately \$385.77.

22. E&Y incurred out-of-pocket expenses in the amount of \$556,747.00 during the Compensation Period. A summary of these out-of-pocket expenses and an itemized list of each disbursement made is attached within **Exhibit E**.

Conclusion

23. In summary, by this Application, E&Y requests final approval of all fees and expenses incurred during the Compensation Period totaling \$3,393,344.00 and expenses totaling \$556,747.00. E&Y seeks approval and authorization for the Debtors to pay any unpaid amounts of such fees and expenses.

24. E&Y respectfully submits that the services for which it seeks compensation in the Application were necessary and in the best interest of the Debtors' reorganization efforts. E&Y further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, their estates, and all parties in interest. Finally, the services rendered in these cases by E&Y were consistently performed in a timely manner commensurate with the complexity, importance, and nature of the issues involved.

WHEREFORE, E&Y respectfully requests the entry of an order, substantially in the form annexed hereto, (a) allowing for E&Y as an administrative expense claim on a final basis for compensation and reimbursement of fees and expenses incurred during the Compensation Period, (b) authorizing and directing payment by the Debtors to E&Y of all such amounts which remain unpaid totaling \$100,569.60, representing the sum of unpaid fees of \$95,306.60 and unpaid expenses of \$5,263.00 and (c) granting such other and further relief as is just and proper.

Dated: February 12, 2007

ERNST & YOUNG LLP

/s/ William E. Stewart

William E. Stewart
101 West Big Beaver, Suite 1200
Troy Michigan 48084