

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:) Chapter 11
)
Conseco, Inc., et al.,¹)
)
Debtors.) Case No. 02 B49672
) Honorable Carol A. Doyle
) (Jointly Administered)
)

In re:) Case No. 02 49675
) Honorable Carol A. Doyle
Conseco Finance Corp., et al.,²) (Jointly Administered)
)
Debtors.)
) Hearing Date: February 4, 2004, at 11:00 a.m.
) Objections Deadline: TBD

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
OCT 9 2003
KENNETH S. GARDNER, CLERK
PS REP. - DR

**NOTICE OF FILING REGARDING THE FINAL
FEE APPLICATION OF BAKER BOTTS L.L.P.
FOR ALLOWANCE OF ADMINISTRATIVE CLAIM FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

PLEASE TAKE NOTICE, that on October 9, 2003, we filed with the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, located at 219 S. Dearborn Street, Chicago, IL 60604, the **Final Fee Application of Baker Botts L.L.P., Special Counsel to the Debtors, and for Compensation and Reimbursement of Expenses for the Period of August 1, 2003 through September 9, 2003 (the "Application")**.

¹ The CNC Debtors comprise the following entities: Conseco, Inc., ("CNC"), CIHC, Incorporated, ("CIHC"), CTIHC, Inc., Partners Health Group, Inc., (collectively the "CNC Debtors").

² The CFC Debtors comprise the following entities: (i) Conseco Finance Corp. ("CFC") and Conseco Finance Servicing Corp., (ii) Conseco Finance Corp. - Alabama, Conseco Finance Credit Corp., Conseco Finance Consumer Discount Company, Conseco Finance Canada Holding Company, Conseco Finance Canada Company, Conseco Finance Loan Company, Rice Park Properties Corporation, Landmark Manufactured Housing, Inc., Conseco Finance Net Interest Margin Finance Corp. I, Conseco Finance Net Interest Margin Finance Corp. II, Green Tree Finance Corp. - Two, Conseco Agency of Nevada, Inc., Conseco Agency of New York, Inc., Green Tree Floorplan Funding Corp., Conseco Agency, Inc., Conseco Agency of Alabama, Inc., Conseco Agency of Kentucky, Inc., and Crum-Reed General Agency, Inc., Green Tree Finance Corp. - Five and Green Tree Residual Finance Corp. I, and Conseco Finance Credit Card Funding Corp., (the "CFC Debtors" and the CNC Debtors are collectively the "Debtors").

PLEASE TAKE FURTHER NOTICE, that on **February 4, 2004, at 11:00 a.m.**, or as soon thereafter as counsel may be heard, we shall appear before the Honorable Carol A. Doyle in Courtroom 742 of the Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois, 60604, or in her absence, before any other Judge who may be sitting in her place or stead, and shall then and there present the **Application**. The hearing on this **Application** may be continued from time to time without further notice except as it may be given in open court.

Chicago, Illinois
Dated: October 9, 2003

Respectfully submitted,

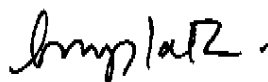
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Special SEC Litigation Counsel for the Debtors

and

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James H.M. Sprayregen, P.C. (ARDC No. 6190206)
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Counsel for the Debtors and Debtors In Possession

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

| | | |
|--------------------------------|---|---------------------------|
| In re |) | |
| |) | Bankruptcy No. 02 B 49672 |
| CONSECO, INC., <u>et al.</u> , |) | Chapter 11 |
| |) | |
| Debtors. |) | (Jointly Administered) |
| |) | Honorable Carol A. Doyle |

**FINAL FEE APPLICATION OF BAKER BOTTS L.L.P., SPECIAL COUNSEL TO THE
DEBTORS, AND FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD OF 08/01/2003 THROUGH 09/09/2003**

Pursuant to sections 327 and 330 of title 11 of the United States Code as amended (the "Bankruptcy Code"), Fed. R. Bank. P. 2016, rule 607 of the Bankruptcy Rules for the United States Bankruptcy Court for the Northern District of Illinois, the Retention Order (as defined below), and this Court's Order Confirming Reorganizing Debtors' Sixth Amended Plan of Reorganization entered on September 9, 2003, the law firm of Baker Botts L.L.P. ("Baker Botts"), as Securities and Exchange Commission litigation counsel ("Special SEC Litigation Counsel") for the debtors and debtors-in-possession (the "Debtors") in the above-captioned chapter 11 cases, hereby applies for allowance and payment of (i) compensation in the amount of **\$643,935.50** for the reasonable and necessary legal services that Baker Botts has rendered to the Debtors and (ii) reimbursement in the amount of **\$105,597.47** for the actual and necessary expenses that Baker Botts incurred throughout the pendency of the Debtors' cases, less any sums previously paid to Baker Botts pursuant to the monthly fee applications (the "Final Fee Application"). In support of this Final Fee Application, Baker Botts respectfully states as follows:

F I L E D
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS

001 09 2003

I. Background

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b). This is a core proceeding pursuant to 28 U.S.C. § 157. This Final Fee Application is made pursuant to section 330 of the Bankruptcy Code.

2. On December 17, 2002 (the "Petition Date"), the Debtors filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

3. On September 9, 2003, this Court confirmed the Debtors' Sixth Amended Plan of Reorganization, and the Debtors emerged from bankruptcy.

II. Retention of and Continuing Disinterestedness of Baker Botts

4. Pursuant to this Court's order entered January 14, 2003, the Debtors were authorized to retain Baker Botts as Special SEC Litigation Counsel effective as of the Petition Date (the "Retention Order"). The Retention Order authorizes the Debtors to compensate Baker Botts at its hourly rates charged for service of this type and to be reimbursed for actual and necessary out-of-pocket expenses incurred, subject to application to this Court in accordance with the Bankruptcy Code and all other applicable rules.

5. Baker Botts does not hold or represent any interest adverse to the estates, and is a disinterested person as that term is defined in section 101(14) of the Bankruptcy Code as modified by section 1107(b). Baker Botts has previously filed the Declaration of James E. Rocap, III, in Support of Application for Order Authorizing Retention and Employment of Baker Botts L.L.P. as Special Securities and Exchange Commission Litigation Counsel for Consec, Inc. and Consec Finance Corporation under Section 327(e) of the Bankruptcy Code (the "Declaration") filed on December 17, 2002.

6. Baker Botts may have in the past represented, may currently represent, and likely in the future will represent, parties-in-interest in connection with matters unrelated to the Debtors and this case. In its Declaration, Baker Botts disclosed its connections to parties-in-interest that it has been able to ascertain using its reasonable efforts. Baker Botts has not become aware of material new information necessitating an amendment of the Declaration.

7. Since the Petition Date, Baker Botts has been paid **\$493,281.45**, representing 90% of the fees incurred from December 18, 2002 through July 31, 2003, and **\$95,322.05**, representing the full amount of reimbursable expenses for the same period. Prior to the Petition Date, Baker Botts received \$900,000.00 as a retainer for future fees and expenses. After allocating part of that retainer to the payment of invoiced fees and expenses incurred prior to the Petition Date and after further allocation of payments authorized by this Court, \$194,419.99 remains in unallocated credits. Except to the extent of the retainer, which was previously disclosed to this Court, and payments received in accordance with this Court's Administrative Order Establishing Procedures for Interim Compensation and Reimbursement for Professionals (the "Interim Compensation Order"), Baker Botts has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the chapter 11 cases.

III. Baker Botts' Monthly Fee Applications

8. Baker Botts has filed monthly fee applications pursuant to the Interim Compensation Order. The chart included in the summary cover sheet filed with this application sets forth the current status of each monthly fee application.

9. On January 27, 2003, Baker Botts filed the Monthly Fee Application of Baker Botts L.L.P., Special Counsel to the Debtors for Interim Compensation and

Reimbursement of Expenses for the Period of 12/18/2002 through 12/31/2002, requesting \$36,780.75 in fees (90% of \$40,867.50) and \$3,698.15 in expenses. No objections were received. Baker Botts has been paid the full amounts requested.

10. On February 25, 2003, Baker Botts filed the Second Monthly Fee Application of Baker Botts, L.L.P., Special Counsel to the Debtors for Interim Compensation and Reimbursement of Expenses for the Period of 01/01/2003 through 01/31/2003, requesting \$138,209.40 in fees (90% of \$153,566.00) and \$14,105.71 in expenses. No objections were received. Baker Botts has been paid the full amounts requested.

11. On March 25, 2003, Baker Botts filed the Third Monthly Fee Application of Baker Botts L.L.P., Special Counsel to the Debtors for Interim Compensation and Reimbursement of Expenses for the Period of 02/01/2003 through 02/28/2003, requesting \$69,467.85 in fees (90% of \$77,186.50) and \$7,374.97 in expenses. No objections were received. Baker Botts has been paid the full amounts requested.

12. On April 25, 2003, Baker Botts filed the Fourth Monthly Fee Application of Baker Botts L.L.P., Special Counsel to the Debtors for Interim Compensation and Reimbursement of Expenses for the Period of 03/01/2003 through 03/31/2003, requesting \$17,616.15 in fees (90% of 19,573.50) and \$27,575.63 in expenses. No objections were received and Baker Botts has been paid the full amounts requested.

13. On May 21, 2003, Baker Botts filed the Fifth Monthly Fee Application of Baker Botts L.L.P., Special Counsel to the Debtors for Interim Compensation and Reimbursement of Expenses for the Period of April 1, 2003 through April 30, 2003, requesting \$24,318.45 in fees (90% of \$27,020.50) and \$1,985.60 in expenses. No objections were received. Baker Botts has been paid the full amounts requested.

14. On June 21, 2003, Baker Botts filed the Sixth Monthly Fee Application of Baker Botts, L.L.P., Special Counsel to the Debtors for Interim Compensation and Reimbursement of Expenses for the Period of May 1, 2003 through May 31, 2003, requesting \$74,053.80 in fees (90% of \$82,282.00) and \$9,804.40 in expenses. No objections were received. Baker Botts has been paid the full amounts requested.

15. On July 22, 2003, Baker Botts filed the Seventh Monthly Fee Application of Baker Botts L.L.P., Special Counsel to the Debtors for Interim Compensation and Reimbursement of Expenses for the Period of June 1, 2003 through June 30, 2003, requesting \$102,979.35 in fees (90% of 114,421.50) and \$19,893.70 in expenses. No objections were received. Baker Botts has been paid the full amounts requested.

16. On August 23, 2003, Baker Botts filed the Eighth Monthly Fee Application of Baker Botts L.L.P., Special Counsel to the Debtors for Interim Compensation and Reimbursement of Expenses for the Period of July 1, 2003 through July 31, 2003, requesting \$29,855.70 in fees (90% of 33,173.00) and \$10,883.89 in expenses. No objections were received. Baker Botts has been paid the full amounts requested.

17. Baker Botts also has filed two quarterly fee applications which have not been heard by the Bankruptcy Court; however, this Final Fee Application covers all the information included in such quarterly fee applications.

IV. Fees and Expenses for the Period of 08/01/2003 through 09/09/2003

18. In addition to final allowance of fees and expenses covered by the prior interim fee applications, this Final Fee Application also seeks allowance and payment of fees and expenses incurred for the period of August 1, 2003 through September 9, 2003 (the "Final Fee Period").

19. Below is a narrative of the services rendered in each billing category during the Final Fee Period, a summary of the time and charges of each professional who rendered services, and the grand total of all time and charges for services rendered in each category.

- **SEC Investigation (B01)** - This category includes attention to matters related to the SEC investigation of the Debtors, including, but not limited to, reviewing documents, preparing logs and documents for production, preparing for interviews with the SEC, interviewing potential witnesses, and researching and discussing legal issues.

| Name | Title | Hours | Total Fee Amount |
|----------------------|-----------------|---------------|-------------------------|
| Rocap III, James E. | Senior Partner | 72.20 | \$36,100.00 |
| Rutkowski, Joanne C. | Partner | 30.30 | \$15,150.00 |
| Haddock, David | Associate | 18.70 | \$6,171.00 |
| Paxson, Stacy L. | Associate | 113.40 | \$34,020.00 |
| Coolbaugh, Peter | Legal Assistant | 18.60 | \$2,046.00 |
| Marinaccio, Leslie | Legal Assistant | 0.20 | \$29.00 |
| James, Janet | Librarian | 0.10 | \$10.00 |
| TOTAL | | 253.50 | \$93,526.00 |

- **Fees and Employment Applications (B02)** - This category includes time drafting retention affidavits, and preparing monthly and quarterly fee applications and exhibits to be filed with this Court.

| Name | Title | Hours | Total Fee Amount |
|-----------------------|-----------------|--------------|-------------------------|
| Rocap III, James E. | Partner | 0.70 | \$350.00 |
| Li, Michael C. | Special Counsel | 0.30 | \$99.00 |
| Mulloy-Levine, Romina | Associate | 8.50 | \$1,870.00 |
| TOTAL | | 9.50 | \$2,319.00 |

20. A fully detailed explanation of services provided and work performed is set forth in the redacted monthly fee statement attached as Exhibit "A" and a listing and description of all expenses relating to this Final Fee Period is attached as Exhibit "B."

V. Overview of Services Rendered During Pendency of Debtors' Cases

21. Section 330 of the Bankruptcy Code allows this Court to award Baker Botts "reasonable compensation for actual, necessary services rendered," and "reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). The chart below summarizes all time billed and fees incurred for the reasonable and necessary services rendered by Baker Botts in relation to its representation of the Debtors as Special SEC Litigation Counsel throughout the pendency of the Debtors' cases:

| BILLING CATEGORIES | | | |
|----------------------------------|-------------------------------|---------------------|---------------------|
| Matter Name | Number of Billed Hours | Total Fees | Expenses |
| SEC Investigation | 2,021.00 | \$624,225.50 | \$105,279.21 |
| Fees and Employment Applications | 86.50 | \$19,710.00 | \$318.26 |
| Total | 2,107.50 | \$643,935.50 | \$105,597.47 |

22. In accordance with the U.S. Trustee's compensation guidelines currently in effect in this district, Baker Botts has segregated all reasonable and necessary services rendered into the following task categories as more fully described below:

- **SEC Investigation (B01)** - This category includes attention to matters related to the SEC investigation of the Debtors, including, but not limited to, reviewing documents, preparing logs and documents for production, preparing for interviews with the SEC, interviewing potential witnesses, and researching and discussing legal issues.

| Name | Title | Hours | Total Fee Amount |
|----------------------|--------------|--------------|-------------------------|
| Doty, James | Partner | 2.80 | \$1,862.00 |
| Rocap III, James E. | Partner | 381.90 | \$190,950.00 |
| Rutkowski, Joanne C. | Partner | 138.90 | \$74,850.00 |
| Guttman, Julia E. | Partner | 0.30 | \$120.00 |
| Bennett, J. Brad | Partner | 0.30 | \$120.00 |
| Haddock, David S. | Associate | 70.70 | \$23,331.00 |
| Paxson, Stacy L. | Associate | 830.80 | \$249,240.00 |
| Moore, Bridget M. | Associate | 9.70 | \$2,376.50 |

| Name | Title | Hours | Total Fee Amount |
|----------------------|-----------------------|-----------------|-------------------------|
| Bell, David A. | Associate | 240.60 | \$51,504.00 |
| Parsons, Molly A. | Legal Assistant | 0.50 | \$57.50 |
| Sakai, Darren | Legal Assistant | 10.50 | \$4,485.00 |
| Coolbaugh, J. Peter | Legal Assistant | 170.30 | \$18,733.00 |
| Marinaccio, Leslie | Legal Assistant | 0.60 | \$87.00 |
| Jeter, Jonathan B. | Legal Assistant | 0.90 | \$85.50 |
| Freund, Stephanie M. | Legal Assistant Clerk | 49.20 | \$6,108.00 |
| Davis, William A. | Legal Assistant Clerk | 2.20 | \$176.00 |
| Cronin, Kristine C. | Legal Assistant Clerk | 1.50 | \$120.00 |
| James, Janet | Librarian | 0.20 | \$20.00 |
| TOTAL | | 1,911.90 | \$624,225.50 |

- **Fees and Employment Applications (B02)** This category includes time drafting retention affidavits, and preparing monthly and quarterly fee applications and exhibits to be filed with this Court.

| Name | Title | Hours | Total Fee Amount |
|-----------------------|-----------------------|--------------|-------------------------|
| Rocap III, James E. | Partner | 5.90 | \$2,950.00 |
| Li, Michael C. | Special Counsel | 2.00 | \$660.00 |
| Castillo, Mark A. | Associate | 6.40 | \$1,568.00 |
| Mulloy-Levine, Romina | Associate | 61.50 | \$13,530.00 |
| Yi, Ha C. | Legal Assistant | 7.30 | \$693.50 |
| Weldon, Deborah | Legal Assistant | 1.10 | \$121.00 |
| Kephart, Kirk | Legal Assistant Clerk | 2.50 | \$187.50 |
| TOTAL | | 86.70 | \$19,710.00 |

VI. Actual and Necessary Expenses During Pendency of Debtors' Cases

23. It is Baker Botts' policy to charge its clients in all areas of practice for identifiable, non-overhead expenses incurred in connection with the client's matter that would not have been incurred except for representation of that particular client. The expenses charged to clients include, among others, telephone and telecopier toll, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, computerized research, messengers, couriers, and postage for mass mailings. Baker Botts has

charged the Debtors for these expenses in a manner and at rates consistent with charges made generally to Baker Botts' other clients. A summary of expenses incurred throughout the pendency of the Debtors' cases by type is included in the summary cover sheet. These expenses comprise the requested sum of Baker Botts' out-of-pocket expenses, totaling \$105,597.47.

24. By this Final Fee Application, Baker Botts requests that the Court approve the final allowance of compensation for professional services rendered and the reimbursement of actual and necessary expenses incurred by Baker Botts during the pendency of the Debtors' cases. The professional services and related expenses for which Baker Botts requests final allowance of compensation and reimbursement of expenses were rendered and incurred in connection with Baker Botts' professional responsibilities as attorneys for the Debtors in these chapter 11 cases. Baker Botts' services have been necessary and beneficial to the Debtors and their estates, creditors and other parties in interest.

25. In summary, by this Final Fee Application, Baker Botts requests allowance and payment for fees and expenses in the total amount of **\$749,532.97** consisting of (i) **\$643,935.50** for the reasonable and necessary professional services rendered and (ii) **\$105,597.47** for actual and necessary costs and expenses incurred during the pendency of the Debtors' cases, less any sums previously paid to Baker Botts.

WHEREFORE, Baker Botts respectfully requests that the Court enter an order, substantially in the form attached hereto, providing that:

(a) an allowed administrative expense be granted to Baker Botts in the sum of (i) \$643,935.50 as compensation for reasonable and necessary professional services rendered to the Debtors throughout the pendency of their cases, and (ii) \$105,597.47 for reimbursement of actual and necessary costs and expenses incurred, for a total of **\$749,532.97**;

(b) the Debtors be authorized and directed to pay to Baker Botts (i) \$150,654.05 comprised of the 10% held back for the First through Eighth Fee Applications (\$54,809.05) and 100% of fees (\$95,845.00) incurred during the Final Fee Period, and (ii) \$10,275.42 for the expenses incurred during the Final Fee Period, for a total of **\$160,929.47**, which amount will be paid out of the remainder of the original retainer received by Baker Botts; and

(c) this Court grant such further relief as is equitable and just.

Dallas, Texas
Dated: October 8, 2003

Respectfully submitted,

BAKER BOTTS L.L.P.



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SPECIAL SEC LITIGATION COUNSEL
FOR THE DEBTORS

EXHIBIT A

Narrative and Charges for Services

NOTE: CERTAIN PORTIONS OF THE CONTENTS OF THIS EXHIBIT ARE REDACTED IN ORDER TO PRESERVE THE PRIVILEGED AND CONFIDENTIAL NATURE OF SUCH INFORMATION.

A NON-REDACTED COPY ALSO WILL BE MADE AVAILABLE FOR IN CAMERA REVIEW IF THE COURT SO DETERMINES.

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TAXPAYER I.D. #74-1195457

Conseco, Inc
Karl W. Kindig
Sr. Vice President, Legal
11825 North Pennsylvania Steet
Carmel, IN 46032

Invoice No. 740368
Invoice Date October 7, 2003
Attorney J R Doty

062561.0102 SEC Investigation

| | | Hours | Description | |
|----------|---------------|-------|--|----------|
| 08/01/03 | J E Rocap III | .30 | Telephone conferences with [REDACTED] and Ms. Paxson re: developments, upcoming proceedings. | REDACTED |
| 08/04/03 | J P Coolbaugh | .50 | Duplication of recent fax from the SEC (0.1); updating of correspondence index and binders (0.4) | |
| 08/04/03 | S L Paxson | 2.50 | Review audit files from the Law Offices of [REDACTED] (P.50); review and attachments/hand-outs (0.60); e-mail communication with [REDACTED] (.10); conversation with Jim Rocap (0.30) | REDACTED |
| 08/04/03 | J E Rocap III | .20 | Conference with Ms. Paxson re: [REDACTED] review and [REDACTED] | REDACTED |
| 08/05/03 | J P Coolbaugh | .70 | Updated index and general correspondence binders for Ms. Paxson (0.4); assisted records department in gathering boxes of Salt Lake City production documents to be sent to storage (0.3) | REDACTED |
| 08/05/03 | S L Paxson | 1.00 | Research recent SEC opinion concerning [REDACTED] (0.30); telephone conversation with Kris Heston (0.10); leave voice messages for [REDACTED] and [REDACTED] (0.20); review summary of bankruptcy (0.20); conversations with Jim Rocap (0.20). | REDACTED |
| 08/05/03 | J E Rocap III | 2.00 | Review [REDACTED] opinion (SEC Order) and conference with Mr. Doty re: same (.5); telephone conferences with [REDACTED] re: [REDACTED] issues (.4); conference with Mr. Doty re: same (.2); draft [REDACTED] for motion [REDACTED] and email same to Kirkland attorney (.9). | REDACTED |
| 08/06/03 | J P Coolbaugh | .60 | Delivered documents to vendor Reliable for bates labelling and duplication (0.2); received documents from vendor and quality checked production prior to having it sent to the SEC (0.4) | REDACTED |

062561.0102 SEC Investigation

| | | Hours | Description | REDACTED |
|----------|-----------------|-------|--|----------------------------------|
| 08/06/03 | S L Paxson | 1.40 | Draft transmittal letters to Kris Heston (0.50); manage productions to SEC (0.20); leave voice message for Kris Heston (0.10); telephone conversation with (0.20); telephone conversation with (0.20); make arrangements for trip to Minneapolis for witness prep and testimony (0.20). | REDACTED |
| 08/06/03 | J E Rocap III | .70 | Telephone conference with re: representation issues, testimony, LeBlanc opinion, related matters. | REDACTED |
| 08/07/03 | J P Coolbaugh | .80 | Updated index and added new letters to the correspondence binders (0.3); entered recent SEC production into legal key system and filed newest redwelds in the work room (0.5) | REDACTED |
| 08/07/03 | L R Marinaccio | .20 | Discuss case status with Mr. Coolbaugh | REDACTED |
| 08/07/03 | J E Rocap III | 8.50 | To Chicago for meeting with SEC on (3.5); conference with re: same (.5); conference with Messrs. re: same (2); review and analyze prior research, fact analysis re: same (2.5). | REDACTED |
| 08/08/03 | D S Haddock II | 2.00 | Research effect of injunction on subsidiaries that are broker dealers and investment companies | REDACTED |
| 08/08/03 | M C Li | .10 | Discuss fee application issues with Romina Mulloy-Levine. | REDACTED |
| 08/08/03 | R Mulloy-Levine | 1.60 | Commenced drafting Second Quarterly Fee Application. | REDACTED |
| 08/08/03 | S L Paxson | 5.30 | Meeting with , and Jim Rocap about (1.3); draft letter to Kris Heston (1.50); leave voice message for (.2); review documents for organize and transmit production to SEC (1.0); conversations with Jim Rocap (.3). | REDACTED REDACTED |
| 08/08/03 | J E Rocap III | 4.80 | Conference with Ms. Paxson re: August 7th meeting with SEC (.4); conference with Messrs. and Ms. Paxson re: submission (1.4); conference with Ms. Paxson re: Heston information request (.2); telephone conferences with Mr. re: same (.3); review and revise letter to Mr. Heston re: same (.4); review materials from re: same (.4); telephone conference with Messrs. re: SEC meeting, status of settlement and related matters (.8); conferences with Mr. Haddock re: issues (.3); telephone conference with same (.2); review materials from re: same (.4). | REDACTED REDACTED REDACTED |
| 08/09/03 | D S Haddock II | 3.70 | Research securities laws regarding | REDACTED |
| 08/10/03 | D S Haddock II | 3.00 | Research on | REDACTED |
| 08/10/03 | S L Paxson | .60 | Discuss collateral consequences with David Haddock (.8). | |

| | | Hours | Description | REDACTED |
|----------|-----------------|-------|--|----------------------|
| 08/11/03 | J P Coolbaugh | 1.20 | Searched for [REDACTED] for Ms. Paxson in Chicago production (0.5); duplicated selected SEC transcripts for Ms. Paxson (0.7) | REDACTED |
| 08/11/03 | D S Haddock II | 2.40 | Research on the [REDACTED] | REDACTED |
| 08/11/03 | M C Li | .20 | Review and comment on second quarterly fee application. | |
| 08/11/03 | R Mulloy-Levine | 2.60 | Continue to work on second quarterly fee application. | |
| 08/11/03 | S L Paxson | 2.50 | Conversations with Jim Rocap and Peter Coolbaugh (.5); exchange e-mails with [REDACTED] (.2); telephone conversation with [REDACTED] (.1); telephone conversation with [REDACTED] (.3); draft letter and transmit transcripts to [REDACTED] (.4); update SEC Exhibit index (.5); prepare for witness prep meetings and testimony (.5). | REDACTED REDACTED |
| 08/11/03 | J E Rocap III | 3.30 | Telephone conferences with Mr. Heston re: [REDACTED] issues (.3); telephone conference with Messrs. Heston and [REDACTED] re: same (.4); conference with Ms. Paxson re: same, upcoming testimony of Messrs. [REDACTED] (.3); telephone conference with [REDACTED] / re: transcripts and testimony (.2); telephone conference with Mr. [REDACTED] re: same and conference with Ms. Paxson re: same (.3); email [REDACTED] re: upcoming witnesses (.2); review and revise Mr. Haddock's memo on [REDACTED] (.5); conference with Messrs. Doty and Haddock re: same (.4); finalize memo and email substantive note to Messrs. [REDACTED] re: same (.7). | REDACTED REDACTED |
| 08/12/03 | D S Haddock II | 1.00 | Research [REDACTED] | REDACTED REDACTED |
| 08/12/03 | R Mulloy-Levine | 1.30 | Finalized Second Quarterly Fee Application exhibits, incorporate comments from Michael Li and James Rocap and sent application for filing. | |
| 08/12/03 | S L Paxson | 9.00 | Travel to Minneapolis for witness prep and testimony (5.0); meeting with [REDACTED] to prepare for testimony (4.0). | REDACTED |
| 08/13/03 | D S Haddock II | 1.50 | Follow up research with respect to [REDACTED] | |
| 08/13/03 | S L Paxson | 10.50 | Represent [REDACTED] during SEC testimony (6.5); meet with [REDACTED] to prepare for testimony (4.0). | REDACTED |
| 08/14/03 | D S Haddock II | .50 | Review article and SEC decision relevant to [REDACTED] | REDACTED |
| 08/14/03 | J James | .10 | Computer research for D. Haddock. | REDACTED |
| 08/14/03 | R Mulloy-Levine | .20 | Followed up with FedEx and Kirkland & Ellis -track package with application. | REDACTED |

| | | Hours | Description | |
|----------|-----------------|-------|---|----------|
| 08/14/03 | S L Paxson | 11.00 | Represent during SEC testimony (4.5); travel back to DC (6.5). | REDACTED |
| 08/14/03 | J E Rocap III | .50 | Telephone conference with Ms. Paxson re: Mes... testimony, next steps re: (3); review new billing guidelines and fax note to Mr. Li re: same (.2). | REDACTED |
| 08/15/03 | R Mulloy-Levine | .40 | Followed up with FedEx and Tony Wallace at Kirkland & Ellis to attempt to locate application (.2); discuss with James Rocap and resent second quarterly application(2). | REDACTED |
| 08/15/03 | S L Paxson | 4.50 | Review and organize files (2.50); update SEC exhibit index (0.50); deliver transcripts to (0.50); conversations with Jim Rocap about (1.00). | REDACTED |
| 08/15/03 | J E Rocap III | .90 | Review opinion re: (4); begin drafting letter to re: complaint (.2); conference with Ms. Paxson re: work plan for (3). | REDACTED |
| 08/15/03 | J C Rutkowski | 1.80 | Work on statement of facts for draft | |
| 08/16/03 | S L Paxson | 9.00 | Review outline defense document and factual outline (1.0); draft letters requesting confidential treatment of transcripts of testimony of Frank (5); review transcripts (7.5) | REDACTED |
| 08/16/03 | J E Rocap III | 3.50 | Work on | REDACTED |
| 08/17/03 | S L Paxson | 6.50 | Review transcripts. | REDACTED |
| 08/18/03 | J P Coolbaugh | 7.20 | Pulled documents from work room for Ms. Paxson and assembled into binders format as exhibits for duplication (3.4); updated and indexed SEC testimony binders for Ms. Paxson and Mr. Rocap (2.1); explained task at hand and handed over documents for duplication to vendor LEX Business Solutions (0.2); created labels and Bates labelled documents for Ms. Paxson to be produced to the SEC (1.5) | REDACTED |
| 08/18/03 | S L Paxson | 8.50 | Review transcripts for purpose of supporting arguments in draft (6.7); draft transmittal letter to Kris Heston (.6) telephone conversation with (0.4); conversations with Jim Rocap(.8). | REDACTED |
| 08/18/03 | J E Rocap III | 3.30 | Telephone conference with Messrs. and Heston re: preservation of records (.5); telephone conference with Mr. Heston re: and memo re: same (.4); telephone conferences with Messrs. re: same (.5); conference with Ms. Paxson, Mr. Doty and Ms. Rutkowski re: same (.7); conference with Ms. Paxson re: (.4); review transcript re: same (.4); telephone conference with Mr. Heston re: Form 15 issue (.2); telephone conference with re: same (.2). | REDACTED |

| | | Hours | Description | |
|----------|-----------------|-------|--|----------|
| 08/19/03 | J P Coolbaugh | .60 | Created labels in Legal Key for recent binders and SEC production (0.2); filed all recent documents into work room (0.2); duplicated transcript of _____ for Ms. Paxson and Mr. Rocap (0.2) | REDACTED |
| 08/19/03 | R Mulloy-Levine | .20 | Contacted DC accounting about next fee filing. | REDACTED |
| 08/19/03 | S L Paxson | 3.60 | Read transcripts for purposes of _____ (1.5); research _____ (4); discuss _____ draft with Jim Rocap (4); discuss subpoena with Jim Rocap (.1); communicate with Conseco about subpoena (.4); draft letters and transmit exhibit binders to _____ and Kirkland & Ellis (.5); telephone conversation with _____ about draft (.3) | REDACTED |
| 08/19/03 | J E Rocap III | 4.80 | Telephone conference with _____ re: Form 15 issue (.2); telephone conference with Messrs. _____ and Heston re: same (.2); work on _____ (4.4). | REDACTED |
| 08/20/03 | J P Coolbaugh | 3.00 | Duplicated transcripts and updated SEC testimony binders for Mr. Rocap, Ms. Paxson, and Ms. Rutkowski (.8); refiled documents pulled from the Chicago production files for the creation of recent exhibit binders (.7); created additional volumes of correspondence binders, updated the ongoing index, and added recent SEC letters (.9); entered data in Legal Key and created labels for Phil Hathaway documents, the most recent production to the SEC, and for original letters and subpoenas received from the SEC (.6) | REDACTED |
| 08/20/03 | R Mulloy-Levine | .50 | Work on eight monthly fee application. | |
| 08/20/03 | S L Paxson | 9.30 | Draft _____ (8.6); telephone conversation with Jim Rocap (.20); telephone conversation with _____ (.10); telephone conversations and e-mail communications with _____ and _____ (4). | REDACTED |
| 08/20/03 | J E Rocap III | 1.10 | Review and analyze draft _____ by _____ | REDACTED |
| 08/21/03 | J P Coolbaugh | .80 | Updated correspondence index and binders (.3); removed documents and binders from Ms. Paxson's office, and transported them into work room where they were filed accordingly (.5) | REDACTED |
| 08/21/03 | R Mulloy-Levine | 1.00 | Continue to work on Eighth Fee Application; sent to Mr. Rocap for his review. | |
| 08/21/03 | S L Paxson | 7.60 | Draft _____ | REDACTED |
| 08/22/03 | R Mulloy-Levine | .20 | Finalized and sent third fee application to debtor's counsel for filing. | REDACTED |
| 08/22/03 | J E Rocap III | 1.30 | Review draft fee application and emails to and from Ms. Mulloy-Levine re: changes to same (.5); telephone conferences with Messrs. _____ re schedule for finalizing _____ (4); review revised draft _____ conference with Ms. Paxson re: same (.4). | REDACTED |
| 08/23/03 | J E Rocap III | 1.70 | Review and revise _____ | REDACTED |

| | | Hours | Description | REDACTED |
|----------|----------------|-------|---|----------------------|
| 08/24/03 | J E Rocap III | 1.50 | Revise draft | REDACTED |
| 08/25/03 | S L Paxson | 6.20 | Draft (5.6); conversations with Jim Rocap and Joanne Rutkowski (0.60). | REDACTED REDACTED |
| 08/25/03 | J E Rocap III | 6.80 | Work on and revise draft (5.8); conferences with Ms. Rutkowski and Ms. Paxson re: same (.8); telephone conference with Messrs. re: same and SEC staff (.2). | REDACTED REDACTED |
| 08/25/03 | J C Rutkowski | 6.00 | Work on (3.2); researched case law in connection therewith (2.8). | REDACTED |
| 08/26/03 | D S Haddock II | 2.00 | Research exchange act provisions regarding | REDACTED |
| 08/26/03 | S L Paxson | 1.50 | Work on draft (1.30); telephone conversation with (0.20). | REDACTED |
| 08/26/03 | J E Rocap III | 2.10 | Review revised draft of (4); email note to et al re: same (.1); telephone conference with status (.3); telephone conference with Mr. Heston re: same (.2); telephone conference with re: status of Form 15 issue (.2); telephone conference with Mr. Heston re: same (.1); conference with Ms. Rutkowski and Ms. Paxson re: (.6); conference with Mr. Haddock (.2). | REDACTED REDACTED |
| 08/26/03 | J C Rutkowski | 4.00 | Researched cases to establish (2.3); reviewed and commented on draft (.7); revised draft statement of facts (1.0). | REDACTED |
| 08/27/03 | J P Coolbaugh | .30 | Created labels in Legal Key for miscellaneous binders and documents (0.2); filed documents in Conseco work room (0.1) | REDACTED |
| 08/27/03 | D S Haddock II | 2.00 | Research on ability of SEC to | REDACTED |
| 08/27/03 | J E Rocap III | 1.00 | Review (3); review revised draft of (.7). | REDACTED |
| 08/28/03 | S L Paxson | 3.80 | Attend and participate in meeting with and | REDACTED |
| 08/28/03 | J E Rocap III | 10.50 | Review draft and conference with Messrs. Ms. Paxson and (re: same (6.5)); revise draft Wells submission (4.0). | REDACTED |
| 08/29/03 | J E Rocap III | 5.20 | Revise draft mission (4.8); emails to and from Mr. Lawson re: same (.1); telephone conference with re: same (.1); telephone conferences with and Ms. Paxson re: same (.2). | REDACTED |

| | |
|--------------|--------------|
| Matter Total | 222.50 |
| Total Fees | \$ 78,788.00 |

062561.0102 SEC Investigation

Lawyer Summary

| TIMEKEEPER | HOURS | RATE | TOTAL |
|------------------|--------|------|-------------|
| Haddock II, D S | 18.10 | 330. | 5,973.00 |
| Li, M C | 0.30 | 330. | 99.00 |
| Mulloy-Levine, R | 8.00 | 220. | 1,760.00 |
| Paxson, S L | 104.30 | 300. | 31,290.00 |
| Rocap III, J E | 64.00 | 500. | 32,000.00 |
| Rutkowski, J C | 11.80 | 500. | 5,900.00 |
| Lawyer Totals: | 206.50 | | \$77,022.00 |

Non-Lawyer Summary

| TIMEKEEPER | HOURS | RATE | TOTAL |
|--------------------|-------|------|------------|
| Coolbaugh, J P | 15.70 | 110. | 1,727.00 |
| James, J | 0.10 | 100. | 10.00 |
| Marinaccio, L R | 0.20 | 145. | 29.00 |
| Non-Lawyer Totals: | 16.00 | | \$1,766.00 |

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P. O. Box 201626
HOUSTON, TEXAS 77216-1626
TAXPAYER I.D. #74-1195457

Conseco Inc.

Invoice No. 740373
Invoice Date October 7, 2003
Attorney J R Doty

062561.0102 SEC Investigation

| | | Hours | Description | REDACTED |
|----------|----------------|-------|--|---|
| 09/01/03 | S L Paxson | 4.00 | Review draft and communicate edits to | (4.0). |
| 09/02/03 | J P Coolbaugh | .30 | Located and duplicated selected | memoranda for Ms. Paxson (.3) |
| 09/02/03 | D S Haddock II | .60 | Review | REDACTED |
| 09/02/03 | S L Paxson | 1.00 | Telephone call with | (.3); follow-up on request with |
| | | | (.7). | REDACTED |
| 09/02/03 | J E Rocap III | 2.10 | Review and edit draft | (1.2); conferences with Ms. Rutkowski re: same (.4); telephone conferences with Mr. Corey re: same (.3); review Mr. Heston letter re: same (.1); telephone conference (VM) with Mr. Heston re: same (.1). |
| | | | | REDACTED |
| 09/02/03 | J C Rutkowski | 5.00 | Further review of: | caselaw (1.2); work on revising draft (3.8). |
| | | | | REDACTED |
| 09/03/03 | J P Coolbaugh | .90 | Duplicated transcripts of recent transcripts for Ms. Paxson (0.2); updated SEC transcript index and binders for Ms. Rutkowski, Mr. Rocap, and Ms. Paxson (0.4); updated index and correspondence binders with recent letters and attachments sent to the SEC (0.3) | SEC testimony |
| | | | | REDACTED |
| 09/03/03 | S L Paxson | 1.30 | Draft letters and distribute transcripts to | (.6); review letters sent to SEC by Jim Rocap (.2); conversations with Jim Rocap about certification to SEC (.2); conversations and communications about (3). |
| | | | | REDACTED |
| | | | | REDACTED |

| | | Hours | Description | |
|--------------|-----------------|--------------|--|----------------------|
| 09/03/03 | J E Rocap III | 3.40 | Conferences with Ms. Rutkowski and Ms. Paxson re: (3); review revisions to draft (4); letter to Mr. Heston re: Conseco Finance originals production (7); review Asset Purchase Agreement re: same (3); letter to Mr. Heston re: settlement status (6); telephone conference with re: same (3); review draft affidavit re: production completeness (4); telephone conference with re: same (2); conferences with Ms. Paxson re: same (3). | REDACTED REDACTED |
| 09/03/03 | J C Rutkowski | 4.20 | Work to revise draft | REDACTED |
| 09/04/03 | J P Coolbaugh | .50 | Researched and pulled requested documents from the Chicago production for Ms. Rutkowski (.5) | |
| 09/04/03 | J E Rocap III | 1.70 | Review and analyze revised draft (1.8); email comments and edits to Ms. Rutkowski (.4); email note to Ms. Paxson re: certification affidavit (.1); telephone conference with Mr. Goldstein re: status of settlement discussions, draft (.2); conference with Ms. Rutkowski re: same (.2). | REDACTED |
| 09/04/03 | J C Rutkowski | 4.20 | Further work on draft revised to reflect Mr. Rocap's comments. | REDACTED |
| 09/05/03 | J P Coolbaugh | 1.20 | Collected and returned documents and binders from Mr. Rocap's office to work room in 13B (0.4); updated indices and correspondence binders with most recent faxes and letters sent to and received from the SEC (0.8) | REDACTED |
| 09/05/03 | R Mulloy-Levine | .10 | Call with Tony Wallace from Kirkland & Ellis. | |
| 09/05/03 | S L Paxson | .80 | Conversations about the (1.8). | REDACTED |
| 09/05/03 | J C Rutkowski | 5.10 | Research on (2.3); further revisions to draft (2.8). | REDACTED |
| 09/08/03 | R Mulloy-Levine | .40 | Gather and compile billing information for Debtor's counsel. | REDACTED |
| 09/08/03 | S L Paxson | 2.00 | Conversation with (0.10); conversations with (0.20); conversations with Jim Rocap (0.20); conversations with Joanne Rutkowski (0.20); organize documents (1.30). | REDACTED |
| 09/08/03 | J E Rocap III | 1.70 | Review next-to-final draft (1.1); emails to and from re: same (3); conferences with Ms. Rutkowski re: same (2); telephone conference with re: same (1). | REDACTED |
| Matter Total | | 40.50 | | REDACTED |
| Total Fees | | \$ 17,057.00 | | |

062561.0102 SEC Investigation

Lawyer Summary

| <u>TIMEKEEPER</u> | <u>HOURS</u> | <u>RATE</u> | <u>TOTAL</u> |
|-------------------|--------------|-------------|--------------|
| Haddock II, D S | 0.60 | 330.00 | 198.00 |
| Mulloy-Levine, R | 0.50 | 220.00 | 110.00 |
| Paxson, S L | 9.10 | 300.00 | 2,730.00 |
| Rocap III, J E | 8.90 | 500.00 | 4,450.00 |
| Rutkowski, J C | 18.50 | 500.00 | 9,250.00 |
| Lawyer Totals: | 37.60 | | \$16,738.00 |

Non-Lawyer Summary

| <u>TIMEKEEPER</u> | <u>HOURS</u> | <u>RATE</u> | <u>TOTAL</u> |
|--------------------|--------------|-------------|--------------|
| Coolbaugh, J P | 2.90 | 110.00 | 319.00 |
| Non-Lawyer Totals: | 2.90 | | \$319.00 |

EXHIBIT B

Listing of all Expenses

For expenses incurred:

| | | |
|---|----------|----------|
| UNISCRIBE PROFESSIONAL Copies and binders | 1,174.61 | REDACTED |
| Reimbursement for mailing | 72.04 | |
| package; parking and mileage | | |
| Witness, | 376.95 | REDACTED |
| expenses of hotel and gas for his car | | |
| 6/11-12/03 | | REDACTED |
| RLS LEGAL SOLUTIONS, L.L.C. Copies/bates | 187.69 | |
| labels | | |
| JUDICIAL COPY SERVICES Docutag & Copies | 602.36 | |
| Witness, | 175.62 | REDACTED |
| travel expenses | | REDACTED |
| CVK REPROGRAPHICS, INC. Copying/tabs & | 202.65 | |
| Binders | | |
| JAMES E. ROCAP Airfare and expenses incurred | 1,563.00 | |
| 8/7/03 to Chicago, IL | | |
| RELIABLE COPY SERVICE, INC. Labeling/copying | 218.90 | |
| STACY L. PAXSON Airfare and expenses incurred | 1,951.42 | REDACTED |
| 8/12-15/03 to Minneapolis, MN | | |
| Reimbursement for non-refundable | 189.50 | REDACTED |
| ticket for meeting with the SEC that was | | |
| cancelled | | REDACTED |
| JAMES E. ROCAP Transcript | 234.00 | REDACTED |
| Computer research services | 593.85 | |
| Delivery service | 274.27 | |
| Photocopying service | 864.90 | |
| Facsimile | 49.65 | |
| Business meals | 266.81 | |
| Postage | 16.55 | |

| | |
|-----------------|------------|
| Telephone calls | 85.59 |
| Total Expenses | \$9,100.36 |

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REMITTANCE STATEMENT

Matter # 062561.0102
Matter Name SEC Investigation
Client Name CONSECO INC.
Invoice # 740368
Billing Attorney J R Doty
Office Washington D.C.

TOTAL FEES:

TOTAL EXPENSES: \$ 9,100.36

TOTAL INVOICE: \$ 87,888.36

For expenses incurred:

| | |
|---|-------------------|
| DIVERSIFIED REPORTING SERVICES Transcript for | 396.00 |
| DIVERSIFIED REPORTING SERVICES Transcript for | 588.40 |
| Computer research services | 20.50 |
| Delivery service | 23.87 |
| Photocopying service | 141.30 |
| Postage | 0.37 |
| Telephone calls | 4.62 |
| Total Expenses | \$1,175.06 |

REDACTED

REDACTED

BAKER BOTTS LLP
Attorneys At Law
P. O. Box 201626
HOUSTON, TEXAS 77216-1626
TAXPAYER I.D. #74-1195457

REMITTANCE STATEMENT

Matter # 062561.0102
Matter Name SEC Investigation
Client Name CONSECO INC.
Invoice # 740373
Billing Attorney J R Doty
Office Washington D.C.

| | |
|------------------------|--------------|
| TOTAL FEES: | \$ 17,057.00 |
| TOTAL EXPENSES: | \$ 1,175.06 |
| TOTAL INVOICE: | \$ 18,232.06 |