

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

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In re:) Chapter 11
)
CONSECO, INC., et al.,¹) Case No. 02-B 49672
) (Jointly Administered)
Debtors.)
) Honorable Carol A. Doyle
)

**NOTICE OF FILING REGARDING THE
SECOND QUARTERLY APPLICATION OF BAKER & DANIELS
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
AS SPECIAL COUNSEL FOR THE DEBTOR**

PLEASE TAKE NOTICE, that on August 14, 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 **Second Quarterly Application of Baker & Daniels for Compensation and Reimbursement of Expenses as Special Counsel for the Debtor (the "Application")**, a copy of which is attached hereto and hereby served upon you.

PLEASE TAKE FURTHER NOTICE, that any response, return and/or objection to the **Application** should be filed with the Clerk of the Bankruptcy Court and a copy simultaneously served on all notice parties as set forth in the Interim Compensation Order on or before **September 15, 2003, by 4:00 p.m. prevailing Central Time.**

PLEASE TAKE FURTHER NOTICE, that on **October 29, 2003, 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

¹ The Debtors are the following entities: (i) Conseco, Inc., CIHC, Incorporated, CTIHC, Inc., Partners Health Group, Inc., (collectively the "Holding Company Debtors"), (ii) Conseco Finance Corp. and Conseco Finance Servicing Corp (the "CFC Debtors" and together with the Holding Company Debtors, the "Initial Debtors") and (iii) 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 Conseco Agency of Illinois, Inc. (collectively, the "CFC Subsidiary Debtors", together with the Initial Debtors, the "Debtors").

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
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KENNETH S. GARDNER, CLERK
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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: August 14, 2003

Respectfully submitted,

BAKER & DANIELS
James M. Carr
300 North Meridian Street, Suite 2700
Indianapolis, IN 46204
(317) 237-0300

Special Counsel for the Debtors

and

KIRKLAND & ELLIS LLP



James H.M. Sprayregen, P.C. (ARDC No. 6190206)

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Counsel for the Debtors and Debtors In Possession

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AUG 14 2003

The deadline to timely file an objection
to this second quarterly fee application
is September 15, 2003

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

In re:) Chapter 11
)
Conseco, Inc., et. al.¹) Case No. 02-49672
)
Debtor) (Jointly Administered)

**SECOND QUARTERLY APPLICATION OF BAKER & DANIELS FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES
AS SPECIAL COUNSEL FOR THE DEBTOR**

Baker & Daniels hereby makes its second quarterly application for the allowance of its attorneys' fees as special counsel for Conseco, Inc. (the "Debtor") and for reimbursement of out-of-pocket expenses advanced on behalf of the Debtor. In support of this application, Baker & Daniels states as follows:

1. Debtor filed its voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code on December 17, 2002 (the "Petition Date"). This Court, by order dated January 14, 2003, approved the Debtor's retention of Baker & Daniels as special counsel.

2. This application is the second quarterly application filed by Baker & Daniels, seeking compensation and reimbursement of out-of-pocket expenses advanced by counsel for the Debtor for the period April 1, 2003 through and including June 30, 2003.

3. On January 29, 2003, Baker & Daniels filed its First Interim Application of Baker & Daniels for Compensation and Reimbursement of Expenses as Special Counsel for the Debtor (the "First Application") seeking approval and allowance of fees in the amount of

¹ The Debtors are the following entities: Conseco, Inc., CIHC, Incorporated, CTIHC, Inc., Partners Health Group,

\$10,351.80 (90% of the \$11,502.00 in services billed) and reimbursement of expenses in the amount of \$93.03.

4. On February 25, 2003, Baker & Daniels filed its Second Interim Application of Baker & Daniels for Compensation and Reimbursement of Expenses as Special Counsel for the Debtor (the "Second Application") seeking approval and allowance of fees in the amount of \$17,056.35 (90% of the \$18,951.50 in services billed) and reimbursement of expenses in the amount of \$2,283.59.

5. On March 25, 2003, Baker & Daniels filed its Third Interim Application of Baker & Daniels for Compensation and Reimbursement of Expenses as Special Counsel for the Debtor (the "Third Application") seeking approval and allowance of fees in the amount of \$12,328.20 (90% of the \$13,698.00 in services billed) and reimbursement of expenses in the amount of \$733.12.

6. On April 25, 2003, Baker & Daniels filed its Fourth Interim Application of Baker & Daniels for Compensation and Reimbursement of Expenses as Special Counsel for the Debtor (the "Fourth Application") seeking approval and allowance of fees in the amount of \$14,228.10 (90% of the \$15,809.00 in services billed) and reimbursement of expenses in the amount of \$548.48.

7. On May 15, 2003, Baker & Daniels filed its First Quarterly Application of Baker & Daniels for Compensation and Reimbursement of Expenses as Special Counsel for the Debtor (the "First Quarter Application") seeking approval and allowance of fees in the amount of \$59,960.50 and reimbursement of expenses in the amount of \$3,658.22.

8. On May 27, 2003, Baker & Daniels filed its Fifth Interim Application of

Baker & Daniels for Compensation and Reimbursement of Expenses as Special Counsel for the Debtor (the "Fifth Application") seeking approval and allowance of fees in the amount of \$36,952.20 (90% of the \$41,058.00 in services billed) and reimbursement of expenses in the amount of \$711.24.

9. On June 25, 2003, Baker & Daniels filed its Sixth Interim Application of Baker & Daniels for Compensation and Reimbursement of Expenses as Special Counsel for the Debtor (the "Sixth Application") seeking approval and allowance of fees in the amount of \$19,656.45 (90% of the \$21,840.50 in services billed) and reimbursement of expenses in the amount of \$1,077.43.

10. On July 25, 2003, Baker & Daniels filed its Seventh Interim Application of Baker & Daniels for Compensation and Reimbursement of Expenses as Special Counsel for the Debtor (the "Seventh Application") seeking approval and allowance of fees in the amount of \$2,465.10 (90% of the \$2,739.00 in services billed) and reimbursement of expenses in the amount of \$79.80.

11. In the course of its representation of the Debtor, Baker & Daniels performed a variety of services, all of which are described in detail in the billing statements attached to the Fifth Application, Sixth Application and Seventh Application (collectively, the "Second Quarter Interim Applications"), respectively, at Exhibit A. The services performed by Baker & Daniels for and on behalf of the Debtor include, but are not limited to the following:

- a. Bankruptcy Initiation Matters And Case Administration. The creation, organization and maintenance of files for numerous documents, pleadings, due diligence and similar materials, and various communications, telephone conferences, conversations, meetings, and attendance at hearings; general work regarding case administration, including meetings and telephone calls with other counsel for creditors and parties in interest with respect to relevant Debtor history, challenges, and issue resolution;

- b. General Case Administration. This category consists primarily of work discharged by paralegals, and includes the accumulation, organization, retention and distribution of information for reporting purposes, the preparation of pleadings and notices, preparation for hearings, as well as for parties in interest, assembly of, filing, and maintenance of files concerning the numerous pleadings filed in the case, communications with attorneys regarding appearance and interventions to make sure that all counsel, particularly from outside this district, properly were made part of the Court's intervenor's list and were properly included upon the Debtor's service list, review and calendaring of orders and notices, and communications with the Court regarding the entry and distribution of same;
- c. Asset Disposition. Review and advise Debtor with respect to intercompany claims, and various telephone conferences, meetings, drafting of memoranda, and other follow up with respect to the same;
- d. Claims Administration And Objection. Review and advise Debtor and assist lead counsel with respect to employee, landlord and other claims; preparation of multiple memoranda, pleadings and/or correspondence related to the foregoing; various communications, telephone conferences, conversations and meetings related to the foregoing;
- e. Plan/Disclosure Statement And Business Analysis. Review and advise Debtor, and assist lead counsel, on multiple matters and strategies relating to plan formulation, Debtor's anticipated financing and inventory needs; identification and follow-up with respect to multiple scenarios and opportunities regarding the same; various communications, telephone conferences, conversations and meetings related to the foregoing; and
- f. Tax Issues. Review and advise Debtor, and assist lead counsel, on various tax matters and disputes; various communications, telephone conferences, conversations and meetings related to the foregoing.

12. Baker & Daniels has reviewed its detailed summary of time, and has attempted to eliminate double billing for conference time between two Baker & Daniels' timekeepers, except where the participation of both timekeepers has demonstrable benefit to the estate. The designation of "NC" or "\$0.00" after a description of services means that no time has been charged for those services.

13. Exhibit A to each of the Second Quarter Interim Applications provides the detail of the time and hourly billing rate for each attorney, law clerk or paralegal of Baker & Daniels who has performed services in this case. A summary of the fees requested by Baker & Daniels for each such attorney, law clerk or paralegal and the number of hours worked for each individual, the billing rate requested and the total fees claimed is set forth below.

Attorney/Paralegal Name	Hours	Rate	Total Fee
Tibor D. Klopfer	4.2	\$395.00	\$1,659.00
James M. Carr	82.0	\$380.00	\$31,160.00
John W. Purcell	9.5	\$365.00	\$3,467.50
James H. Ham	18.1	\$360.00	\$6,516.00
Joseph H. Yeager, Jr.	1.4	\$350.00	\$490.00
Donald P. Bennett	7.6	\$345.00	\$2,622.00
Rebecca A. Richardson	6.8	\$305.00	\$2,074.00
David R. Hamer	3.8	\$295.00	\$1,121.00
Andrea M. Roberts	0.4	\$220.00	\$88.00
Jason D. Kimpel	3.5	\$205.00	\$717.50
Suzette E. Bewley	20.8	\$195.00	\$4,056.00
Paul A. Wolfla	36.7	\$195.00	\$7,156.50
Erica S. Black	9.3	\$185.00	\$1,720.50
Tenley L. Drescher	0.3	\$175.00	\$52.50
Terry E. Hall	0.5	\$175.00	\$87.50
Kris H. Hagan	0.8	\$135.00	\$108.00
Sarah B. Laughlin	22.1	\$115.00	\$2,541.50
TOTALS	227.8		\$65,637.50

14. Baker & Daniels has advanced the sum of \$1,868.47 for out-of-pocket expenses incurred in connection with this case on behalf of the Debtor during the period of April 1, 2003 through and including June 30, 2003. A summary of the out-of-pocket expenses incurred by Baker & Daniels is set forth in Exhibit A to each of the Second Quarter Interim Applications.

15. In the period of April 1, 2003 through and including June 30, 2003, all Baker & Daniels' professionals have recorded their time to the "Restructuring" matter. Within

the "Restructuring" matter, as of the Petition Date, Baker & Daniels established certain task codes that cause related time to be grouped together to facilitate the review of the Firm's requested fees by the Court, the United States Trustee, and Debtor's creditors. Set forth below is a summary of the aggregate billings under the established tasks for the period April 1, 2003 through and including June 30, 2003.

Task Description	Hours	Value
Asset Analysis and Recovery	21.8	\$7,507.00
Asset Disposition	0.1	\$19.50
Business Operations	6.1	\$1,787.00
Case Administration	46.2	\$13,473.50
Claims Administration and Objections	75.2	\$24,151.50
Employee Benefit/Pensions	9.5	\$3,467.50
Fee/Employment Applications	14.3	\$1,644.50
Fee/Employment Objections	7.8	\$2,350.00
Financing	0.2	\$61.00
Litigation	4.3	\$1,324.00
Plan and Disclosure Statement	2.0	\$760.00
Data Analysis	0.4	\$116.00
Litigation Consulting	32.0	\$6,240.00
Tax Issues	7.9	\$2,736.00
TOTALS	227.8	\$65,637.50

16. As of the Petition Date, Baker & Daniels held a retainer in the amount of \$150,000. Other than this retainer, no payments have been made or promised to Baker & Daniels for services rendered or to be rendered in any capacity in connection with this case for the services described in this application. No prior fees have been awarded to Baker & Daniels as counsel for the Debtor in this case.

17. No agreement or understanding exists between Baker & Daniels and any other person or entity for the sharing of compensation received for services rendered in connection with this case.

18. All services rendered and all expenses incurred for which compensation or reimbursement is sought have been rendered or incurred exclusively on behalf of the Debtor and represent necessary and proper expenses.

19. The deadline to timely file an objection to this second quarterly fee application is **September 13, 2003**.

WHEREFORE, Baker & Daniels requests that the Court award an allowance of compensation for attorneys' fees in the amount of Sixty-Five Thousand Six Hundred Thirty-Seven and 50/100 Dollars (\$65,637.50) plus reimbursement for out-of-pocket expenses incurred in the amount of One Thousand Eight Hundred Sixty-Eight and 47/100 Dollars (\$1,868.47), and grant Baker & Daniels all other proper relief.

Respectfully submitted,

BAKER & DANIELS

By: 

James M. Carr

Attorneys for Conseco, Inc.

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