

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

In re:	)	Chapter 11
	)	
Conseco, Inc., <u>et al.</u> ,	)	Case No. 02 B 49672
	)	
Debtors.	)	
	)	Honorable Carol A. Doyle

**FIFTH REPORT OF FEE REVIEW COMMITTEE**

The U.S. Trustee, Ira Bodenstein, by his attorney, M. Gretchen Silver, is filing this report on behalf of the Fee Review Committee, the members of which are Ira Bodenstein (U.S. Trustee), Anthony Schnelling (CFC Plan Administrator), Walter Morales ( former member of Unsecured Creditors Committee), Eric Johnson (President of 4086 Advisors, a Conseco subsidiary), and Frank Poli (former member of the TOPrs Committee).

1. On September 17, 2003, the Debtor filed the Fee Review Billing Guidelines with the Court. Final Fee Applications were due on October 9, 2003. Electronic versions were to be simultaneously submitted to the Office of the U.S. Trustee.

2. The U.S. Trustee's Office received final fee applications from 22 professionals. The fees requested total approximately \$59,053,000, the expenses requested to be reimbursed total approximately \$4,917,000, and the success fees total approximately \$25,982,000. The U.S.

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<sup>11</sup>The Debtors initially were the following entities: Conseco, Inc., CIHC, Incorporated, CTIHC, Inc., Partners Health Group, Inc., Conseco Finance Corp. and Conseco Finance Servicing Corp. The latter two Debtors are referred to as the CFC Debtors. On February 3, 2003 the following subsidiaries of the CFC Debtors filed cases in this Court: 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, Green Tree Floorplan Funding Corp., Conseco Agency of Nevada, Inc., Conseco Agency of New York, Inc., Conseco Agency Inc., Conseco Agency of Alabama, Inc., Convergent Lending Services, LLC, Conseco Agency of Kentucky, Inc., and Crum-Reed General Agency, Inc. Pursuant to an order entered on February 3, 2003 all of the above cases are now jointly administered.

Trustee's Office has completed an electronic analysis of the electronically submitted final fee applications with respect to each of the Guidelines, except the "Meet and Confer" guideline, the analysis of which requires reading each individual time entry of every professional. It continues to diligently review the remaining applications.

3. Since the last report, two applicants have been notified of the Committee's questions and have been requested to meet with the Committee: Lazard Freres and Raymond James.

4. The Committee has met with telephonically with several firms and continues to schedule meetings with the other firms.

5. The Committee resolved all outstanding issues with the firm of Houlihan Lokey, which agreed to reduce its request for reimbursement of expenses by \$1,137.68 to bring it into compliance with the Guidelines. The Committee believes the reduction is appropriate and Houlihan has submitted a form of order to the Court.

6. The Committee met with the accounting firm of PriceWaterhouse Coopers (PwC) and resolved all outstanding issues. PwC, in its application, reduced its fees by approximately \$400,000. In addition, in response to Committee requests, PwC has agreed to reduce its fee request by \$12,659.19 and its request for reimbursement of expenses by \$4,471.53 to bring its request into compliance with the Fee Guidelines. The Committee believes the reduction is appropriate and PwC has submitted a form of order to the Court.

7. Further, the Committee is in the process of conferring with several firms that have received the Committee's report. These firms are reviewing the reports and preparing their response, if any, for further conference with the Committee.

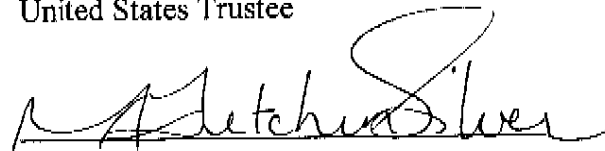
8. The Committee continues its analysis of overall reasonableness for several firms,

is notifying applicants as their analysis is completed, and will continue to meet and confer with applicants as necessary. The Committee is prepared to report on further progress at the May 19 omnibus hearing and to file bi-weekly reports of its progress toward consensual resolution of the remaining firms to keep the Court and others informed of the Committee's progress. The Committee intends to file its next report on April 30, 2004.

Respectfully submitted,

Ira Bodenstein  
United States Trustee

Dated: April 16, 2004

A handwritten signature in cursive script, appearing to read "M. Gretchen Silver". The signature is written in black ink and is positioned above the typed name and contact information.

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