

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

FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
OCT 08 2003
KATHLEEN S. GARDNER, CLERK
FB REP. - KG

In re:

Chapter 11

Conseco, Inc., et al.,¹

Case No. 02B49672

The Honorable Carol A. Doyle

Debtors.

Hearing Date: February 4, 2004

**FIFTH AND FINAL FEE APPLICATION OF MUCH SHELIST, P.C.
FOR ALLOWING FINAL COMPENSATION**

Much Shelist Freed Denenberg Ament & Rubenstein, P.C. ("Applicant"), as counsel to the Official Committee of Unsecured Creditors of the CFC Debtors ("the CFC Committee"), presents its fifth and final fee application (the "Final Application") pursuant to and in accordance with (i) sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code"); (ii) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); (iii) the Court's Amended Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members, entered on January 2, 2003 (the "Administrative Order"); and (iv) the Fee Review Committee Billing Guidelines, approved by this Court on September 17, 2003.

Applicant seeks final approval of compensation in the amount of \$1,855,924.00 and reimbursement of out-of-pocket expenses in the amount of \$43,559.64 incurred in connection with services rendered to the CFC Committee between April 7, 2003 and September 30, 2003 (the "Final

¹ The Debtors are the following entities: (i) Conseco, Inc., CIHC, Incorporated, CTIHC, Inc., and Partners Health Group, Inc. (the "Holding Company Debtors"); (ii) Conseco Finance Corp. and Conseco Finance Servicing Corp. ("CFS"); and (iii) Conseco Finance Corp. - Alabama, Conseco Finance Credit Corp., Conseco Finance Credit 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 Financial 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. (the "CFC Subsidiary Debtors"), (iv) Green Tree Financial Corp.-Five and Green Tree Residual Finance Corp. I and Conseco Finance Credit Card Debtors, the CFC Debtors and CFC Subsidiary Debtors, the "Debtors")

Period"). A Proposed Order (the "Proposed Order") granting the requested relief is attached as Exhibit D. In support of this Final Application Applicant respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Final Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409(a). This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(A) and (O).

2. The statutory predicates for the relief sought herein are Sections 330 and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a).

BACKGROUND

3. On December 17, 2002 (the "**Petition Date**"), the Holding Company Debtors and the CFC Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. On February 3, 2003, the CFC Subsidiary Debtors also filed voluntary Chapter 11 petitions. On June 3, 2003, the New Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. On June 24, 2003, Conseco Finance Credit and Funding Corp. filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

4. On April 14, 2003, an order was entered authorizing the retention and employment of Applicant as special conflicts counsel to pursue all claims against certain Lehman entities on behalf of the CFC Committee, effective as of April 17, 2003. A copy of the order is attached as Exhibit A.

5. On April 16, 2003, Applicant filed a complaint for declaratory relief to substantively consolidate certain estates, to avoid and recover preferential and fraudulent transfers, to avoid and recover unperfected security interests, to equitably subordinate certain claims, and for objection to claims (the "Adversary Complaint") against Lehman Brothers, Inc., Lehman

Commercial Paper, Inc. and Lehman ALI, Inc. (the "Lehman Defendants") and Green Tree Finance Corp.-Five, Green Tree Residual Finance Corp. I (the "Green Tree Defendants"). The Adversary Complaint sought to equitably subordinate between \$21 million and \$700 million of Lehman's purported secured debt. Several of the other claims sought to avoid \$410 million of Lehman secured debt on various fraudulent conveyance and preference grounds. Still other claims sought declaratory relief refuting the nature of the transactions at issue. All claims raised in the Adversary Complaint were settled for \$13.5 million.

APPLICANT'S PRIOR REQUESTS

6. On May 27, 2003, Applicant filed its first monthly application (the "First Monthly Application") for interim compensation and reimbursement of expenses incurred during the time period beginning April 7, 2003 and ending April 30, 2003 (the "First Interim Period"). The First Monthly Application sought an interim allowance of compensation in the amount of \$229,180.50 (representing 90% of the actual fees incurred in the amount of \$254,645.00) and reimbursement of expenses incurred on behalf of and for the benefit of the CFC Committee in the amount of \$19,460.87. No one objected to the First Monthly Application. As a result, Applicant has received payment of the interim amount requested. A balance of \$25,464.50, representing 10% of the total fees incurred during the First Interim Period, remains unpaid at this time.

7. On June 25, 2003, Applicant filed its second monthly application (the "Second Monthly Application") for interim compensation and reimbursement of expenses incurred during the time period beginning May 1, 2003 and ending May 31, 2003 (the "Second Interim Period"). The Second Monthly Application sought an interim allowance of compensation in the amount of \$133,895.25 (representing 90% of the actual fees incurred in the amount of \$148,772.50) and reimbursement of expenses incurred on behalf of and for the benefit of the CFC Committee in

the amount of \$14,445.12. No one objected to the Second Monthly Application. As a result, Applicant has received payment of the interim amount requested. A balance of \$14,877.25, representing 10% of the total fees incurred during the Second Interim Period, remains unpaid at this time.

8. On July 25, 2003, Applicant filed its third monthly application (the "Third Monthly Application") for interim compensation and reimbursement of expenses incurred during the time period beginning June 1, 2003 and ending June 30, 2003 (the "Third Interim Period"). The Third Monthly Application sought an interim allowance of compensation in the amount of \$77,606.55 (representing 90% of the actual fees incurred in the amount of \$86,229.50) and reimbursement of expenses incurred on behalf of and for the benefit of the CFC Committee in the amount of \$8,665.55. No one objected to the Third Monthly Application. As a result, Applicant has received payment of the interim amount requested. A balance of \$8,622.95, representing 10% of the total fees incurred during the Third Interim Period, remains unpaid at this time.

9. On August 26, 2003, Applicant filed its fourth monthly application (the "Fourth Monthly Application") for interim compensation and reimbursement of expenses incurred during the time period beginning July 1, 2003 and ending July 31, 2003 (the "Fourth Interim Period"). The Fourth Monthly Application sought an interim allowance of compensation in the amount of \$4,585.05 (representing 90% of the actual fees incurred in the amount of \$5,099.50) and reimbursement of expenses incurred on behalf of and for the benefit of the CFC Committee in the amount of \$988.10. No one objected to the Fourth Monthly Application. As a result, Applicant has received payment of the interim amount requested. A balance of \$414.45, representing 10% of the total fees incurred during the Fourth Interim Period, remains unpaid at this time.

FIFTH INTERIM REQUEST

10. This is Applicant's fifth and final application for compensation. It includes a fifth interim period that covers the time period between August 1, 2003 and ending September 30, 2003 (the "Fifth Interim Period"). No previous application has been filed in connection with the fees incurred during the Fifth Interim Period.

11. As further detailed in the invoice attached as Exhibit B, Applicant requests compensation for the professionals and paraprofessionals who have provided services to the CFC Committee during the Fifth Interim Period. A summary of the professionals who have provided services during the Fifth Interim Period is summarized as follows:

<u>ATTORNEY</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Anthony Valiulis	7.80	\$450.00	\$3,510.00
Edward Shapiro	10.60	\$375.00	\$3,975.00
Kendall Jacobson	.20	\$200.00	\$40.00
Megan Oliver	5.50	\$195.00	\$1,072.50
<hr/>			
SUBTOTAL:	24.10		\$8,597.50
<u>PARALEGALS</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Carmen Ortiz	17.20	\$150.00	\$2,580.00
<hr/>			
SUBTOTAL:	17.20		\$2,580.00
TOTAL:	41.30		\$11,177.80

12. The services performed by Applicant during the Fifth Interim Period have been categorized into project summaries which are described below. Each project summary refers to Exhibit B, which is attached hereto and incorporated herein by reference. Exhibit B includes detailed time entries showing the services provided in the category, the attorney providing the service, the date the service was provided, the time incurred and the value of such time.

SUMMARY OF SERVICES RENDERED DURING FIFTH INTERIM PERIOD

A. General Case Administration

13. During the Fifth Interim Period, Applicant rendered various general legal services to the CFC Committee. These services are grouped in this category because they are not readily susceptible to being placed in any of the more specific categories established in the Final Application. Some of the services detailed in Exhibit B and summarized below involve minimal amounts of time and did not warrant the creation of a separate category. The general administrative services in this category include, but are not limited to obtaining, organizing and maintaining pleadings, correspondence, agreements and other documents relating to the Chapter 11 Case and the Adversary Proceeding.

14. Applicant expended 5.0 hours with a value of \$795.00 in this category during the Fifth Interim Period.

B. Court Hearings

15. During the Fifth Interim Period, Applicant prepared for and attended 2 hearings before the Court relating to the case.

16. Applicant expended 5.5 hours with a value of \$1,072.50 in this category during the Fifth Interim Period.

C. Research and Legal Analysis

17. During the Fifth Interim Period, Applicant reviewed information and documents and analyzed the status of the plan confirmation.

18. Applicant expended 7.7 hours with a value of \$3,052.50 in this category during the Fifth Interim Period.

D. Drafting

19. During the Fifth Interim Period, Applicant prepared the Fourth Fee Application and the Fifth and Final Fee Application.

20. Applicant expended 22.80 hours with a value of \$6,257.50 in this category during the Final Period.

21. During the Fifth Interim Period Applicant expended a total of 39.80 hours rendering professional services to the FCF Committee. Based upon the total number of hours spent in connection with Applicant's representation of the CFC Committee, the gross amount of fees incurred in the Fifth Interim Period is \$11,177.50. Because this is the Final Application, Applicant requests approval and payment of 100% of the professional fees incurred during the Fifth Interim Period.

22. Applicant is not seeking recovery of any expenses incurred during the Fifth Interim Period.

REQUEST FOR SUCCESS FEE

23. Applicant also seeks payment of an additional fee ("Success Fee") as set forth in the Court's April 14, 2003 order ("Order"). (See Ex. A.)

24. Under the Order, the Court stated as follows:

Subject to the terms and conditions of a further order of this Court, Much Shelist shall be paid fifteen percent (15%) of the gross recovery, if any, whether by settlement, judgment, or otherwise attributable to the adversary claims without further application to the Court.

(See Order, p.2, paragraph 4.)

25. The gross recovery from the Lehman Defendants in the Adversary Complaint was \$13.5 million. Under the Order, Applicant would be entitled to a Success Fee of \$2,025,000.00. Applicant, however, is seeking only \$1.35 million, which amounts to a 10% Success Fee.

26. A 10% Success Fee is extremely reasonable given the following factors:

(i) Over a single weekend, Applicant's attorneys, after receiving a telephone call from Greenburg Traurig, assembled an initial team of four lawyers who immediately commenced review of the claims against Lehman.

(ii) Originally, the Court indicated that all adversary claims had to be resolved within a very short time frame --- perhaps as short as 60 days --- and before plan confirmation.

(iii) Because of the complexity, magnitude, and time constraints of the case, Applicant assembled a team of nine lawyers (about 25% of the firm's litigators) and two paralegals, many of whom were required to substantially set aside all other client matters on which they were working to focus their attention on the prosecution of the adversary claims.

(iv) Applicant agreed to perform these services on the understanding they would receive a Success Fee in the event of recovery. The Applicant's Management Committee approved the foregoing staffing actions in reliance on the opportunity to obtain the Success Fee.

(v) Given the nature of the adversary claims, Applicant's entire fee was at risk, not just the Success Fee. If the case had not settled and instead had been lost, Applicant might not have been allowed any compensation. Yet because of the time constraints, Applicant had to commit its resources before being able to completely evaluate the chances of success.

(vi) Applicant's efforts were extremely instrumental in achieving the settlement amount of \$13.5 million. Applicant refined and further developed the various legal theories and factual claims; prepared and filed the adversary complaint; prepared and filed a position statement on the numerous and complex issues as requested by the Court (which led the Court to indicate that the claims would not likely be dismissed on motion, and would thus require discovery and trial); and pursued oral and written discovery on an expedited schedule.

**FINAL REQUEST FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES**

27. During the Final Period, Applicant submitted a total of four monthly applications for interim compensation and reimbursement of expenses in addition the Fifth Interim Request and Request for Success Fee described above. The First through Fourth Monthly Applications (together with the Fifth Interim Request, the "Monthly Applications") are attached as Group Exhibit C and incorporated by reference. By this Final Application, Applicant requests entry of an order (i) finalizing all of Applicant's previous awards; and (ii) directing the Plan Administrator to pay the balance of unpaid fees in the amount of \$1,410,142.20.

28. The time period covered by each Monthly Application, the amounts requested, the amounts awarded and the balances due are summarized as follows:

TIME PERIOD	FEES REQUESTED	EXPENSES REQUESTED	FEES PAID	EXPENSES PAID	FEES AND EXPENSES REMAINING DUE AND OWING
First Application April 7, 2003 – April 30, 2003	\$254,645.00	\$19,460.87	\$229,180.50	\$19,460.87	\$25,464.50
Second Application May 1, 2003 – May 31, 2003	\$148,772.50	\$14,445.12	\$133,895.25	\$14,445.12	\$14,877.25
Third Application June 1, 2003 – June 30, 2003	\$86,229.50	\$8,665.55	\$77,606.55	\$8,665.55	\$8,622.95
Fourth Application July 1, 2003 – July 31, 2003	\$5,099.50	\$988.10	\$4,585.05	\$988.10	\$509.95
Final Application August 1, 2003 – September 30, 2003	\$11,177.50	\$0	\$0	\$0	\$11,177.50
Success Fee	\$1,350,000.00	\$0	\$0	\$0	\$1,350,000.00
Totals	\$1,855,924.00	\$43,559.64	\$445,267.35	\$43,559.64	\$1,410,142.20

29. As further detailed in the Monthly Applications attached as Group Exhibit C, Applicant requests final approval of \$1,855,924.00 (and payment of the remaining \$1,410,142.20) for the professionals and paraprofessionals who have provided service to the CFC Committee during the Final Period.

30. During the Final Period, Applicant provided services to the CFC Committee with respect to numerous categories of service, each of which are detailed in the Monthly Applications attached as Group Exhibit C. Each of the Monthly Applications include a summary of service, detailed time entries showing the services provided in each category, the attorney providing the service, the date of the service as provided, the time incurred and the value of such time.

31. During the Final Period, Applicant incurred out of pocket expenses in the amount of \$43,559.64. Itemized expense reports are attached hereto as Group Exhibit C.

CONCLUSION

32. Applicant has diligently represented the CFC Committee during the Chapter 11 Cases. Through Applicant's significant efforts in pursuing the Adversary Claims against Lehman Brothers on an expedited basis, the CFC Debtors were able to recover an additional \$13.5 million. Based upon the circumstances, the fair value of the professional services rendered by Applicant to the CFC Committee, the skill required, the nature of services rendered and the results obtained, the fees charged by Applicant for its services in these cases are reasonable.

33. Applicant requests entry of a final order allowing the fees requested in the Final Application in the amount of \$1,855,924.00. Applicant further requests entry of a final order authorizing and directing the Plan Administrator to pay the balance of fees withheld and/or unpaid from the Monthly Applications in the amount of \$1,410,142.20. This amount includes the 10% of fees withheld from the First through Fourth Monthly Applications.

34. Applicant further requests entry of a final order allowing out of pocket expenses requested in the Final Application in the amount of \$43,559.64. All of the amount has previously been paid.

35. All services for which Applicant requests compensation were performed for and on behalf of the CFC Committee, and not on behalf of any other entity. No agreement or understanding exists between Applicant and any other person for sharing compensation which has been or will be received, except such sharing as is customary and generally accepted among lawyers within a law firm.

36. No agreement or understanding, express or implied, has been or will be entered into for the purpose of fixing the fees or other compensation to be paid to any other attorney for any party in interest, to any other party in interest, or to any person for services rendered in connection with the Chapter 11 Cases.

37. Counsel for the CFC Committee has reviewed this request and agrees that the provisionally approved and disbursed interim fees, the fees incurred in the Final Period, and the 10% Success Fee in the amount of \$1.35 million, are reasonable.

WHEREFORE, Harvey J. Barnett, Anthony C. Valiulis, Edward D. Shapiro and the law firm of Much Shelist Freed Denenberg Ament & Rubenstein, P.C. respectfully request that it be allowed reimbursement for its fees and expenses during the Final Period as follows:

- (i) Granting Applicant final compensation for services rendered as counsel to the CFC Committee in the amount of \$1,855,924.00 (\$1,410,142.20 of which remains unpaid at this time);

- (ii) Granting Applicant reimbursement of expenses incurred during the Final Period on behalf of the CFC Committee in the amount of \$43,559.64, all of which has been paid;
- (iii) Authorizing and directing the Plan Administrator to remit the balance of the fees allowed to Applicant in the amount of \$1,410,142.20; and
- (iv) Granting such other and further relief deemed appropriate under the circumstances.

Dated: October 8, 2003

**THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF CONSECO FINANCE CORP. AND
CONSECO FINANCE SERVICING CORP.**

By 

One of Its Attorneys

Harvey J. Barnett
Anthony C. Valiulis
Edward D. Shapiro
**Much Shelist Freed Denenberg
Ament & Rubenstein, PC**
191 North Wacker Drive, Suite 1800
Chicago, Illinois 60606-1615
Telephone: (312) 521-2000
Facsimile: (312) 521-2100
**Counsel to the Official Committee of
Unsecured Creditors of the CFC Debtors**

EOB APR 14 2003

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

In re:)	Chapter 11
)	Case No. 02-49672
)	(Jointly Administered)
Conseco, Inc, et al. ¹)	The Honorable Carol A. Doyle
)	Docket under 02 B 49672
Debtors.)	

ORDER AUTHORIZING RETENTION AND EMPLOYMENT OF HARVEY J. BARNETT, ANTHONY VALUILIS AND MUCH SHELIST FREED DENENBERG AMENT & RUBENSTEIN, P.C. AS CONFLICTS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE CFC DEBTORS EFFECTIVE AS OF APRIL 7, 2003

Upon the emergency application (the "Application") of the Official Committee of Unsecured Creditors (the "CFC Committee") of the CFC Debtors for entry of an Order (A) authorizing the retention and employment of Harvey J. Barnett, Anthony Valuilis and Much Shelist Freed Denenberg Ament & Rubenstein, P.C. ("Much Shelist") as conflicts counsel effective as of April 7, 2003; and (B) approving the hourly and contingent fee arrangement (the "Application"); and upon the Valuilis Affidavit²; and it appearing that the Court has jurisdiction over the Application pursuant to 28 U.S.C. § 157(b)(2)(A) and (O); and it appearing that Much Shelist does not hold or represent any interest materially adverse to the CFC Debtors, any creditors of the CFC Debtors, the United States Trustee for the Northern District of Illinois 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 it appearing that Much Shelist

¹ The Debtors are the following entities: (i) Conseco, Inc., CIHC, Incorporated, CTIHC, Inc., Partners Health Group, Inc. (the "Holding Company Debtors"), (ii) Conseco Finance Corp. and Conseco Finance Servicing Corp. (the "CFC Debtors"), and (iii) Conseco Finance Corp. - Alabama, Conseco Finance Credit Corp., Conseco Finance Credit 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 Financial 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. (the "CFC Subsidiary Debtors" and collectively with the Holding Company Debtors and the CFC Debtors, the "Debtors").

² Capitalized terms used herein but not defined herein shall have the meanings given them in the Supplement.

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is a "disinterested person" as described by section 327(a) of the Bankruptcy Code; and it appearing that due and adequate notice of the Application has been given; and it appearing that no other or further notice need be given; and this Court having determined that granting the relief requested in the Application is in the best interest of the CFC Committee and the CFC Debtors' estates; and after due deliberation and sufficient cause appearing therefore:

IT IS HEREBY ORDERED THAT:

1. The Application is granted.
2. Pursuant to section 327(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, the Debtors are hereby authorized to employ Much Shelist as its conflicts counsel to perform the services set forth in the Application as of April 7, 2003.
3. Much Shelist shall be compensated in accordance with the procedures set forth in Application and consistent with sections 327, 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules as may then be applicable, from time to time, and such procedures as may be fixed by order of this Court.
4. Furthermore, subject to ^{the terms and conditions of a} further order of this Court, Much Shelist shall be paid fifteen percent (15%) of the gross recovery, if any, whether by settlement, judgment, or otherwise, attributable to the Claims without further application to this Court.
5. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: April 14, 2003



HONORABLE CAROL A. DOYLE
UNITED STATES BANKRUPTCY JUDGE

M U C H S H E L I S T

191 N. Wacker Drive, Suite 1800, Chicago, IL 60606
Telephone 312-521-2000 FEIN 36-2757501

Invoice No. 216466
Invoice Date 10/1/03

Client/Matter No. 0002728.0001
HJB 0338

 Conseco Creditors Committee
c/o Walter A. Morales
247 Florida Street
Baton Rouge, LA 70821

Re: 03 - Lehman Brothers

Professional Services Rendered Through September 30, 2003

Professional Services	\$	11,177.50
Current Invoice	\$	11,177.50
Prior Balance Due	\$	<u>49,501.15</u>
Total Balance Due Upon Receipt	\$	60,678.65

REMITTANCE

Invoice Is Payable Upon Receipt


Please Return This Copy With Your Payment

M U C H S H E L I S T

191 N. Wacker Drive, Suite 1800, Chicago, IL 60606
Telephone 312-521-2000 FEIN 36-2757501

Invoice No. 216466
Invoice Date 10/1/03

Client/Matter No. 0002728.0001
HJB 0338

 Conseco Creditors Committee
c/o Walter A. Morales
247 Florida Street
Baton Rouge, LA 70821

Re: 03 - Lehman Brothers

Professional Services Rendered Through September 30, 2003

Date	Atty		Hours
08/01/03	ACV	Review status of confirmation and pending fee petition; discuss hearing with Megan	0.50
08/01/03	MXO	Attend court for hearing re: plan confirmation.	0.90
08/06/03	ACV	Review status and call Nancy	0.30
08/06/03	CRO	Following up with paralegal and conseco regarding monthly payment; E-mail to/from Tony and Ed.	0.20
08/13/03	ACV	Start working on final fee petition	0.30
08/13/03	CRO	Brief e-mail to/from Angie McDonough regarding file storage.	0.20
08/14/03	ACV	Check on status	0.30
08/15/03	ACV	Review status of plan confirmation	0.30
08/15/03	MXO	Attend court for hearing re: fifth amended plan.	0.60
08/15/03	CRO	Research regarding status of plan confirmation; Brief meeting with ACV; Telephone call to court room clerk; Telephone call to Kerry Carlson.	1.00
08/19/03	EDS	Followup with C. Ortiz on status of payment on last payment application	0.20
08/19/03	CRO	Reviewing monthly expenses and fees for July for the purpose of preparing fee petition.	2.00
08/19/03	KAJ	Checked Quickview for Westlaw billing entries for Conseco for Carmen Ortiz.	0.20
08/20/03	CRO	Preparing fee petition for the month of July.	2.00
08/21/03	EDS	Draft Certificate of No objection for third payment application; File and serve same	0.30
08/21/03	CRO	Revising fee petition; Telephone call from Kerry Carlson regarding final fee petition; Brief meeting with accounting to prepare final bill.	1.00

Date	Atty		Hours
08/21/03	CRO	Revising fee petition for July; Verifying no objection to June fee petition.	1.40
08/22/03	CRO	Finalizing July Fee Petition; Updating pleadings binder.	1.00
08/25/03	CRO	Reviewing final draft of July Fee Petition.	0.30
08/25/03	CRO	Organizing and refileing documents previously produced and reviewed.	2.00
09/03/03	ACV	Check on status of plan confirmation	0.30
09/03/03	EDS	Telephone call from Lee Anne Zavakis regarding remaining fees to be paid;Review fee applications and determine same;Followup e-mail regarding same;Check with accounting regarding current balances	0.80
09/09/03	ACV	Review status of plan confirmation and discuss hearing with Megan; start working on fee petition	1.00
09/09/03	EDS	Conference with M. Oliver and T. Valiulis regarding final confirmation of plans and preparation of final fee applications	0.30
09/09/03	MXO	Attend court for plan confirmation hearing (2.30); follow up with Tony Valiulis and Carmen Ortiz re: same (.20).	2.50
09/10/03	ACV	Follow-up re plan confirmations and final fee petition	0.50
09/11/03	CRO	Reviewing court docket for the purpose of verifying whether order for final fee petition has been entered; Reviewing various confirmation order; Brief meeting with Ed Shapiro.	1.00
09/12/03	EDS	Issues regarding final fee petition;Review Barnett memo regarding same	0.50
09/15/03	ACV	Miscellaneous re fee hearing and petition	0.50
09/15/03	EDS	Finalize and file Certificate of No Objection to Fourth fee application	0.20
09/15/03	EDS	Work on final fee application	1.00
09/15/03	CRO	Telephone call to Kerry Carlson; Reviewing docket for verification that no objection has been filed to fee petition; Reviewing e-mail sent regarding final fee petition.	1.10
09/16/03	ACV	Review fee procedures and order	0.50
09/16/03	EDS	Continue drafting Final Fee Application	1.50
09/16/03	CRO	Reviewing court docket for the purpose of locating Amended Notice of Confirmation; Reviewing court calendar for fee petition guidelines hearing; Distributing documents.	1.00
09/17/03	ACV	Work on final fee petition issues	0.50
09/17/03	EDS	Message from A. Valiulis and N. Peterman regarding dismissal of adversary complaint and final fee application (.20);Revise final fee application (1.00)	1.20
09/17/03	EDS	Telephone call from and to A. Wald (Latham and Watkins) regarding dismissal of adversary complaint	0.30

Date	Atty		Hours
09/17/03	MXO	Attend hearing re: fee petition procedures (1.40); conference with Tony Valiulis and Ed Shapiro re: same (.10).	1.50
09/18/03	EDS	Review Fee Review Committee Billing Guidelines and Notice of confirmation and deadline for filing final fee application; Review and revise final fee application	1.20
09/18/03	CRO	Calculating time entries for the purpose of drafting final fee petition; Partial drafting of final fee petition.	3.00
09/21/03	EDS	Revise final fee application	0.50
09/22/03	EDS	Work on final fee application	0.30
09/23/03	ACV	Miscellaneous re final fee petition	0.50
09/25/03	ACV	Work on final fee petition	1.00
09/25/03	EDS	Revise final fee application	0.80
09/26/03	ACV	Work on final fee petition	1.00
09/29/03	ACV	Work on final fee petition	0.30
09/29/03	EDS	Revise final fee petition; Brief conference with A. Valiulis regarding same	0.50
09/30/03	EDS	Further revisions to final fee petition	1.00

Total Hours 41.30

Professional Services \$ 11,177.50

Timekeeper Summary:

Timekeeper	Hours		Rate
Anthony C. Valiulis	7.80	at \$	450.00
Edward D. Shapiro	10.60	at \$	375.00
Megan C. Oliver	5.50	at \$	195.00
Carmen R Ortiz	17.20	at \$	150.00
Kendalle A Jacobson	0.20	at \$	200.00
Total Hours	<u>41.30</u>		

Invoice Summary

Professional Services	\$	11,177.50
Current Invoice	\$	11,177.50
Prior Balance Due	\$	<u>49,501.15</u>
Net Amount Due on Current Invoice	\$	60,678.65

Accounts Receivable Summary

Date	Invoice No.	Amount	Credits	Balance Due
07/01/03	212656	94,895.05	(51,476.50)	43,418.55
08/01/03	214559	6,082.60	0.00	6,082.60
		<u>\$ 100,977.65</u>	<u>(51,476.50)</u>	<u>49,501.15</u>

Total Balance Due:

Current Invoice	\$ 11,177.50
Prior Balance	\$ 49,501.15
Total Balance Due Upon Receipt	<u>\$ 60,678.65</u>

EXHIBIT C

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

RECEIVED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS

In re:

Chapter 11

MAY 27 2003

Conseco, Inc., et al.,¹

Case No. 02B49672

Jointly Administered
Honorable Carol A. Doyle
KENNETH S. GARDNER, CLERK
COURT SERVICE CENTER

Debtors.

**FIRST MONTHLY APPLICATION OF MUCH SHELIST, P.C. FOR
ALLOWANCE OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Much Shelist Freed Denenberg Ament & Rubenstein, P.C. ("Applicant"), as counsel to the Official Committee of Unsecured Creditors of CFC and CFSC ("the CFC Committee"), presents its first monthly application (the "First Application") pursuant to sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and the Court's Amended Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members, entered on January 2, 2003 (the "Administrative Order"). By this First Application, Applicant seeks a monthly interim allowance of \$229,180.50 (representing 90% of the actual fees incurred in the amount of \$254,645.00) as compensation and \$19,460.87 for reimbursement of 100% of the actual and necessary expenses incurred for a total of \$248,641.37. The First Application covers the time period beginning April 7, 2003 and ending April 30, 2003 (the "Interim Period"). In support of the First Application, Applicant respectfully state as follows:

¹ The above-captioned Debtors are the following entities: (i) Conseco, Inc., CIHC, Incorporated, CTIHC, Inc., and Partners Health Group, Inc. (collectively, the "Parent Company Debtors"); (ii) Conseco Finance Corp. ("CFC") and Conseco Finance Servicing Corp. ("CFSC"); and (iii) Conseco Finance Corp. - Alabama, Conseco Finance Credit Corp., Conseco Finance Credit 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 Financial 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. (the "CFC Subsidiary Debtors" and collectively with CFC and CFSC, the "CFC Debtors").

JURISDICTION AND VENUE

1. This Court has jurisdiction over this application pursuant to 28 U.S.C. §§ 157 and 1334 (b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409(a).

2. This action is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (B), (C), (F), (H), (K) and (O).

3. Pursuant to Rules 3007 and 7001 (1), (2) and (9) of the Bankruptcy Rules, this proceeding is governed by the Rules set forth in Part VII of the Bankruptcy Rules.

BACKGROUND

4. On December 17, 2002 (the "**Petition Date**"), the Parent Company Debtors, CFC, and CFSC each filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. On February 3, 2003, the CFC Subsidiary Debtors also filed voluntary Chapter 11 petitions. The Parent Company Debtors and CFC Debtors continue to operate their businesses as debtors in possession pursuant to §1107 and §1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Chapter 11 cases.

5. On January 3, 2003, the United States Trustee for the Northern District of Illinois, Eastern Division, pursuant to §1102 of the Bankruptcy Code, duly appointed the CFC Committee to represent the interests of all unsecured creditors in the CFC Debtors' Chapter 11 cases.

6. On April 14, 2003, an order was entered authorizing the retention and employment of Applicant as special conflicts counsel to pursue all claims against certain Lehman entities on behalf of the CFC Committee, effective as of April 17, 2003. A copy of the order is attached as Exhibit A.

7. On April 16, 2003, Applicant filed a complaint for declaratory relief to substantively consolidate certain estates, to avoid and recover preferential and fraudulent transfers, to avoid and recover unperfected security interests, to equitably subordinate certain claims, and for objection to claims (the "Adversary Complaint") against Lehman Brothers, Inc., Lehman Commercial Paper, Inc. and Lehman ALI, Inc. (the "Lehman Defendants") and Green Tree Finance Corp.-Five, Green Tree Residual Finance Corp. I (the "Green Tree Defendants"). The Adversary Complaint seeks to equitably subordinate between \$21 million and \$700 million of Lehman's purported secured debt. Several of the other claims seek to avoid \$410 million of Lehman secured debt on various fraudulent conveyance and preference grounds. Still other claims seek declaratory relief refuting the nature of the transactions at issue.

RELIEF REQUESTED

8. This is Applicant's first monthly interim application. The chairman of the CFC Committee, Walter Morales, has reviewed and authorized the filing of this First Application.

9. As further detailed in the invoice attached hereto as Exhibit B, Applicant requests compensation for the professionals and paraprofessionals who have provided services to the CFC Committee in connection with the Adversary Proceeding during the Interim Period. A summary of the professionals who have provided services during the Interim Period is summarized as follows:

<u>ATTORNEY</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Harvey J. Barnett	70.80	\$450.00	\$31,860.00
Anthony Valiulis	85.50	\$450.00	\$38,475.00
John Ward	2.90	\$395.00	\$1,145.50
Christopher Stuart	89.80	\$375.00	\$33,675.00
Edward Shapiro	84.30	\$375.00	\$31,612.50
Hillard Sterling	138.40	\$325.00	\$44,980.00
Joanne Sarasin	70.10	\$325.00	\$22,782.50
Lisa Ben-Isvy	13.60	\$320.00	\$4,352.00
Rachel Feldstein	70.50	\$290.00	\$20,445.00
Kendall Jacobson	39.10	\$200.00	\$7,820.00

Megan Oliver	51.50	\$195.00	\$10,042.50
<hr/> SUBTOTAL:	<hr/> 716.50	<hr/>	<hr/> \$247,190.00
<u>PARALEGALS</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Carmen Ortiz	48.90	\$150.00	\$7,335.00
Sara Rodriguez	.80	\$150.00	\$120.00
<hr/> SUBTOTAL:	<hr/> 49.70	<hr/>	<hr/> \$7,455.00
TOTAL:	766.20		\$254,645.00

10. The services performed by Applicant during the Interim Period have been categorized into project summaries which are described below. Each project summary refers to Exhibit B, which is attached to the First Application and incorporated herein by reference. Exhibit B includes detailed time entries showing the services provided in the category, the attorney providing the service, the date the service was provided, the time incurred and the value of such time.

SUMMARY OF SERVICES RENDERED

A. General Case Administration

11. During the Interim Period, Applicant rendered various general legal services to the CFC Committee. These services are grouped in this category because they are not readily susceptible to being placed in any of the more specific categories established in the Second Application. Some of the services detailed in Exhibit B and summarized below involve minimal amounts of time and did not warrant the creation of a separate category. The general administrative services in this category include, but are not limited to obtaining, organizing and maintaining pleadings, correspondence, agreements and other documents relating to the Chapter 11 Case and the Adversary Proceeding.

12. Applicant expended 37.4 hours with a value of \$5,975.50 in this category during the Interim Period.

B. Investigation

13. During the Interim Period, Applicant investigated the facts and reviewed and analyzed the pleadings and issues related to the Chapter 11 Case and the Adversary Proceeding filed by the CFC Committee.

14. In addition, Applicant coordinated and participated in conferences with counsel to the Debtors, committee members, consultants and other parties in interest regarding the general status of the case and going forward strategy.

15. Applicant also participated in regular office conferences with its team members to discuss the status of possible claims against the Lehman Defendants, discovery efforts, review of documents, staffing issues and formulating going-forward strategy.

16. Applicant expended 123.40 hours with a value of \$46,381.50 in this category during the Interim Period.

C. Research and Legal Analysis

17. During the Interim Period, the Applicant performed various legal research in connection with the Adversary Complaint and position statement requested by the Court.

18. Applicant also participated in regular office conferences with its team members to discuss various legal issues and formulate legal strategies.

19. Applicant expended 269.1 hours with a value of \$90,359.50 in this category during the Interim Period.

D. Drafting and Related Work

20. Applicant expended 123.80 hours with a value of \$41,011.50 drafting, analyzing and filing the Adversary Complaint during the Interim Period.

21. Applicant expended 116.60 hours with a value of \$37,457.00 drafting, analyzing and filing the position statement requested by the Court during the Interim Period.

22. Applicant expended 4.4 hours with a value of \$1,972.50 drafting, analyzing and filing all other motions during the Interim Period.

23. The total fees for this category are \$80,441.00 and the total hours are 244.8.

E. Discovery

24. During the Interim Period, the Applicant discussed discovery going-forward strategy, analyzed discovery issues and prepared and propounded its First Request for Production of Documents to the Lehman Defendants.

25. Applicant also prepared and issued subpoenas for documents to J.C. Flowers & Co., Inc., Fortress Investment Group, LLC, Cerberus Capital Management, L.P., and CFN Holdings, LLC.

26. As part of the discovery process, Applicant reviewed prior pleadings, prior document requests, previously produced documents and memoranda.

27. Applicant expended 79.80 hours with a value of \$26,734.00 in this category during the Interim Period.

F. Court Hearings

28. During the Interim Period, Applicant prepared for and attended two hearings before the Court relating to the Adversary Complaint.

29. Applicant expended 11.70 hours with a value of \$4,753.50 in this category during the Interim Period.

EXPENSES

30. During the Interim Period, Applicant expended the sum of \$22,861.87 for reasonable and necessary out-of-pocket expenses incurred in connection with its representation of the CFC Committee. The expenses incurred by Applicant during the Interim Period as summarized as follows:

EXPENSE	AMOUNT
Court Reporter	\$264.00
Federal Express Charges	\$252.28
Filing Fees	\$150.00
Information and Research for April	\$16,208.06
Local Travel	\$57.00
Messenger Services	\$128.25
Copying Charges	\$74.00
Photocopy Expenses	\$2,302.00
Telephone Expenses	\$25.28
TOTAL:	\$19,460.87

31. In accordance with the Administrative Order and this Court's Standing Order Number 10, Applicant represents the following with regard to its charges for actual and necessary costs and expenses during the Interim Period:

- (a) copy charges are \$.10 per page, which charge is reasonable, represents the cost of copy material, acquisition, maintenance, storage and operation of copy machines, together with a margin for recovery of cost expenditures.
- (b) Incoming facsimiles are not billed.
- (c) Outgoing facsimiles are not billed. However, the telephone connection charges for each facsimile are billed.
- (d) Applicant has charged for local travel which includes cab fares and parking fees for attorneys, paralegals and staff.

SUMMARY

32. During the Interim Period, Applicant expended a total of 766.20 hours rendering professional services to the CFC Committee. Based upon the total number of hours spent in connection with Applicant's representation of the CFC Committee, the gross amount of fees incurred during the Interim Period is \$254,645.00. Applicant requests approval and payment of the professional fees incurred during the Interim Period in the amount of \$229,180.50, representing 90% of the actual fees incurred.

33. As counsel to the CFC Committee, Applicant incurred a total of \$19,460.87 in out-of-pocket expenses during the Interim Period. Applicant requests approval and payment of 100% of the actual and necessary expenses incurred during the Interim Period.

34. Applicant has diligently represented the CFC Committee in the Chapter 11 Cases. Based upon the circumstances, the fair value of the professional services rendered by Applicant to the CFC Committee, the skill required, the nature of services rendered and the results obtained, the fees charged by Applicant for its services in these cases are reasonable.

35. All services for which Applicant requests compensation were performed for and on behalf of the CFC Committee, and not on behalf of any other entity.

36. No agreement or understanding exists between Applicant and any other person for sharing compensation which has been or will be received, except such sharing as is customary and generally accepted among lawyers within a law firm.

37. No agreement or understanding, express or implied, has been or will be entered into for the purpose of fixing the fees or other compensation to be paid to any other attorney for any party in interest, to any other party in interest, or to any person for services rendered in connection with the Chapter 11 Cases.

WHEREFORE, Harvey J. Barnett, Anthony C. Valiulis, Edward D. Shapiro and the law firm of Much Shelist Freed Denenberg Ament & Rubenstein, P.C. respectfully request that it be allowed reimbursement for its fees and expenses incurred during the Interim Period, described as follows:

- (i) interim compensation for services rendered as counsel to the CFC Committee in the amount of \$229,180.50 (representing 90% of the actual fees incurred during the Interim Period in the amount of \$254,645.00);
- (ii) interim allowance for reimbursement of expenses incurred on behalf of the CFC Committee in the amount of \$19,460.87 (representing 100% of the out-of-pocket expenses incurred during the Interim Period); and
- (iii) granting such other and further relief deemed appropriate under the circumstances.

Dated: May 27, 2003

**THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF CONSECO FINANCE CORP. AND
CONSECO FINANCE SERVICING CORP.**

By



One of Its Attorneys

Harvey J. Barnett
Anthony C. Valiulis
Edward D. Shapiro
MUCH SHELIST FREED DENENBERG
AMENT & RUBENSTEIN, PC
191 North Wacker Drive, Suite 1800
Chicago, Illinois 60606-1615
Telephone: (312) 521-2000
Facsimile: (312) 521-2100

**Counsel to the Official Committee of
Unsecured Creditors of the CFC Debtors**

EXHIBIT D

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

)	Chapter 11
)	
In re:)	Case No. 02-49672
)	
Conseco, Inc, <u>et al.</u> , ¹)	The Honorable Carol A. Doyle
)	
Debtors.)	Hearing Date: February 4, 2003
)	

**ORDER GRANTING FIFTH AND FINAL REQUEST OF MUCH SHELIST, P.C.
FOR ALLOWANCE OF FINAL COMPENSATION**

Upon the Final Application² of Much Shelist, P.C. for allowance of compensation and reimbursement of expenses incurred in connection with services rendered to the CFC Committee during the time period beginning April 7, 2003 and ending September 30, 2003 (the "**Final Period**"); due notice of the Final Application having been given; the Court having considered the recommendations of the Fee Review Committee; and the Court being fully advised in the premises:

IT IS HEREBY ORDERED THAT Much Shelist, P.C. is granted final compensation for services rendered as counsel to the CFC Committee in the amount of \$1,855,924.00;

¹ The Debtors are the following entities: (i) Conseco, Inc., CIHC, Incorporated, CTIHC, Inc., and Partners Health Group, Inc. (the "**Holding Company Debtors**"), (ii) Conseco Finance Corp. and Conseco Finance Servicing Corp. (the "**CFC 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 Financial 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. (the "**CFC Subsidiary Debtors**"), (iv) Green Tree Finance Corp. – Five and Green Tree Residual Finance Corp. I, and Conseco Finance Credit Card Funding Corp. (the "**New Debtors**" and, collectively with the Holding Company Debtors, the CFC Debtors and the CFC Subsidiary Debtors, the "**Debtors**").

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Final Application.

IT IS FURTHER ORDERED THAT Much Shelist, P.C. is granted final reimbursement of expenses on behalf of the CFC Committee in the amount of \$43,559.64; and

IT IS FURTHER ORDERED THAT the Plan Administrator is authorized and directed to remit the balance of fees and expenses awarded to Much Shelist, P.C. in the amount of \$1,410,142.20.

Dated: _____

The Honorable Carol A. Doyle
United States Bankruptcy Judge

FOO APR 14 2003

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

In re:) Chapter 11
)
) Case No. 02-49672
) (Jointly Administered)
Conseco, Inc., et al.¹) The Honorable Carol A. Doyle
)
)
Debtors.) Docket under 02 B 49672

**ORDER AUTHORIZING RETENTION AND EMPLOYMENT OF
HARVEY J. BARNETT, ANTHONY VALUILIS AND MUCH SHELIST
FREED DENENBERG AMENT & RUBENSTEIN, P.C. AS CONFLICTS
COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF THE CFC DEBTORS EFFECTIVE AS OF APRIL 7, 2003**

Upon the emergency application (the "Application") of the Official Committee of Unsecured Creditors (the "CFC Committee") of the CFC Debtors for entry of an Order (A) authorizing the retention and employment of Harvey J. Barnett, Anthony Valuilis and Much Shelist Freed Denenberg Ament & Rubenstein, P.C. ("Much Shelist") as conflicts counsel effective as of April 7, 2003; and (B) approving the hourly and contingent fee arrangement (the "Application"); and upon the Valuilis Affidavit²; and it appearing that the Court has jurisdiction over the Application pursuant to 28 U.S.C. § 157(b)(2)(A) and (C); and it appearing that Much Shelist does not hold or represent any interest materially adverse to the CFC Debtors, any creditors of the CFC Debtors, the United States Trustee for the Northern District of Illinois 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 it appearing that Much Shelist

¹ The Debtors are the following entities: (i) Conseco, Inc., CIIHC, Incorporated, CTIHC, Inc., Partners Health Group, Inc. (the "Holding Company Debtors"), (ii) Conseco Finance Corp. and Conseco Finance Servicing Corp. (the "CFC Debtors"), and (iii) Conseco Finance Corp. - Alabama, Conseco Finance Credit Corp., Conseco Finance Credit 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 Financial 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. (the "CFC Subsidiary Debtors" and, collectively with the Holding Company Debtors and the CFC Debtors, the "Debtors").

² Capitalized terms used herein but not defined herein shall have the meanings given them in the Supplement.

2550

is a "disinterested person" as described by section 327(a) of the Bankruptcy Code; and it appearing that due and adequate notice of the Application has been given; and it appearing that no other or further notice need be given; and this Court having determined that granting the relief requested in the Application is in the best interest of the CFC Committee and the CFC Debtors' estates; and after due deliberation and sufficient cause appearing therefore:

IT IS HEREBY ORDERED THAT:

1. The Application is granted.
2. Pursuant to section 327(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, the Debtors are hereby authorized to employ Much Shelist as its conflicts counsel to perform the services set forth in the Application as of April 7, 2003.
3. Much Shelist shall be compensated in accordance with the procedures set forth in Application and consistent with sections 327, 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules as may then be applicable, from time to time, and such procedures as may be fixed by order of this Court.
4. Furthermore, subject to ^{the terms and conditions of a} further order of this Court, Much Shelist shall be paid fifteen percent (15%) of the gross recovery, if any, whether by settlement, judgment, or otherwise, attributable to the Claims without further application to this Court.
5. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: April 14, 2003


HONORABLE CAROL A. DOYLE
UNITED STATES BANKRUPTCY JUDGE

M U C H S H E E T I S T

191 N. Wacker Drive, Suite 1800, Chicago, IL 60606
Telephone 312-521-2000 FEIN 36-2757501

Invoice No. *****
Invoice Date 5/1/03

Client/Matter No. 0002728.0001
HJB 0338



Conseco Creditors Committee
c/o Walter A. Morales
247 Florida Street
Baton Rouge, LA 70821

Re: 03 - Lehman Brothers


Professional Services Rendered Through April 30, 2003

Professional Services	\$ 254,645.00
Disbursements	\$ <u>19,460.87</u>
Current Invoice	\$ 274,105.87

REMITTANCE

Invoice Is Payable Upon Receipt

Please Return This Copy With Your Payment

Invoice No. *****
Invoice Date 5/1/03Client/Matter No. 0002728.0001
HJB 0338

 Conseco Creditors Committee
 c/o Walter A. Morales
 247 Florida Street
 Baton Rouge, LA 70821

Re: 03 - Lehman Brothers

Professional Services Rendered Through April 30, 2003

Date	Atty		Hours
04/05/03	CJS	T/C - HJB re: Conseco engagement. Legal and fact research re: case status, claims made and potential claims against Lehman.	1.30
04/06/03	ACV	Meeting between us (ACV, HB, ED SHAPIRO, CJS) with counsel for Creditors Committee to discuss case, issues, timing; follow-up meeting with HB and ED SHAPIRO	4.00
04/06/03	HJB	Conference with Fox, Peterman and Valiulis re Facts of Claim v. Lehman. Conference with Valiulis and Shapiro re strategy and staffing.	5.00
04/06/03	CJS	Initial meeting with Greenberg Trauig re: potential representation of Unsecured Creditors Committee against Lehman; introductory discussion of salient facts and potential theories of recovery.	3.50
04/06/03	EDS	Meeting with H. Barnett, T. Valiulis, C. Stuart, P. Fox, N. Peterman, and K. Finger regarding claims against Lehman Brothers (2.5); Followup strategy meeting with H. Barnett and T. Valiulis regarding same (1.0); Travel time to meeting (.50); Travel time home (.50)	4.50
04/07/03	ACV	Internal organization meeting with Harvey and telephone conference with Creditors' Committee (.5); review and analyze documents and issues (2.5); meeting with team re initial organization, facts, and strategy (1.0)	3.50
04/07/03	HJB	Conference with Valiulis, Shapiro, et al. re strategy. Review facts. Review contracts.	5.00
04/07/03	CJS	Legal research re: potential litigation against Lehman re: federal and state securities laws. Section 11 liability.	3.20
04/07/03	CJS	Initial meeting with litigation team re: discussion of salient facts, potential theories of liability, organizational structure, task assignments.	1.00
04/07/03	CJS	Analysis of Lehman transaction documents provided by Greenberg Trauig.	4.50
04/07/03	JAS	Meeting to review overall background and factual and legal issues.	0.80

Date	Atty		Hours
04/07/03	JAS	Begin research on cross-collateralization issues.	1.70
04/07/03	EDS	Begin review of key documents (3.5);Attend first meeting of trial team (1.0)	4.50
04/07/03	HMS	Examine key documents including agreements to develop claims supporting attempt to seek return of collateral and property interests	7.40
04/07/03	REF	Attended initial background/strategy meeting.	1.20
04/07/03	LBI	Meeting with litigation team re background and strategy.	1.00
04/07/03	MXO	Group meeting re: strategy and background.	1.00
04/07/03	MXO	Meet with Tony Valiulis and Ed Shapiro re: reading documents for consideration issues.	0.20
04/07/03	CRO	Initial strategy and background meeting.	1.20
04/07/03	CRO	Typing up notes regarding background information.	0.30
04/07/03	CRO	Reserving conference room for Wednesday for update meeting regarding task distribution.	0.20
04/07/03	CRO	Submitting request for war room space in anticipation of documents to be received.	0.10
04/07/03	KAJ	Initial strategy and discussion of facts meeting.	1.00
04/07/03	KAJ	Pulled Bankruptcy sections 544, 547 and 548 and had 10 copies made of each section for distribution by Harvey Barnett.	0.30
04/08/03	ACV	Review and analyze documents	2.00
04/08/03	ACV	Prepare for (.5) and meet with counsel for Creditors' Committee to review facts, claims, and strategy (3.5)	4.00
04/08/03	HJB	Conference with Nancy Peterman, Nancy Mitchell, Huron, Valiulis, et al. re strategy, facts and research. Review underlying contracts.	4.00
04/08/03	CJS	Analysis of Lehman transaction documents provided by Greenberg Traurig.	2.70
04/08/03	CJS	Legal research re: potential litigation against Lehman re: federal and state securities laws. Section 10(b) and 10b-5 liability. Section 14(a) liability	3.50
04/08/03	CJS	Meeting with Greenberg Traurig re: follow-up on representation of Unsecured Creditors Committee against Lehman; update initial analysis of potential theories of recovery and litigation organization.	3.00
04/08/03	JAS	Meeting with counsel regarding background and legal issues.	3.50
04/08/03	JAS	Review documents forming bases for transactions.	1.80
04/08/03	JAS	Inter-office conference with Valiulis regarding legal research.	0.40
04/08/03	EDS	Discussions with T. Valiulis regarding analysis of key documents (.40);Meeting at Greenberg Traurig regarding documents, complaint, substantive issues, and go forward strategy (3.5); Review of documents (.50)	4.40

Date	Atty		Hours
04/08/03	HMS	Continue to examine key documents including agreements to develop claims supporting attempt to seek return of collateral and property interests	6.80
04/08/03	HMS	Participate in litigation team meeting to examine documents and facts and develop strategies and legal theories	3.40
04/08/03	MXO	Meeting at Greenberg Traurig re: background and legal theories.	3.50
04/09/03	ACV	Review and revise emergency motion to appoint firm and ACV affidavit (1.0); consider and plan organization of case (.5); work on draft complaint (1.0); internal meeting with team re substantive issues, necessary research, facts, claims and strategy (2.5); telephone conferences with Creditors' counsel re motion and setting up meetings with debtor (.3); consider and plan strategy (.7)	6.00
04/09/03	HJB	Conference with Valiulis, Shapiro, Sterling, Stuart and team re strategy. Review facts, contracts, legal research needed. Review contracts/security agreements. Review research memos on various legal issues, including consolidation, sale/lease issue.	6.00
04/09/03	CJS	Group meeting with litigation team re: further discussion of salient facts, potential theories of liability, organizational structure, task assignments.	2.20
04/09/03	CJS	Legal research re: analysis of S-3 and related offering documents for potential actions against underwriters and other offering defendants.	3.40
04/09/03	CJS	Analysis of Lehman documents and GT memorandum related to financing and securitization transactions.	3.20
04/09/03	JHW	Meeting with Harvey Barnett, Anthony Valiulis, Norman Newman, et al., regarding causes of action.	1.50
04/09/03	EDS	Meeting with Consecro Team regarding substantive issues, research assignments, expert witnesses, and related issues (2.5); Conference with A. Valiulis regarding retaining experts (.30)	2.80
04/09/03	HMS	Meet with litigation team to discuss facts and develop strategies for action against Lehman Brothers et al.	2.30
04/09/03	HMS	Begin drafting complaint against Lehman Brothers et al., and examine factual matters and legal issues to develop claims for complaint	3.60
04/09/03	MXO	Attend meeting re: strategy and background.	2.50
04/09/03	MXO	Research failure of consideration issue under New York and Minnesota law.	1.40
04/09/03	CRO	Meeting with litigation team regarding legal issues/theories and project assignments.	2.50
04/09/03	CRO	Working with powerpoint tutorial for the purpose of creating chart of meeting notes.	1.50
04/09/03	KAJ	Meeting discussing facts, strategy, research projects.	2.20
04/10/03	ACV	Review and analyze documents and bankruptcy filings	5.00

Date	Atty		Hours
04/10/03	HJB	Review research memos on insider and preference issue. Review affidavit of Charles Creners. Review case law re consolidation issues.	2.00
04/10/03	CJS	Legal research re: analysis of S-3 and related offering documents for potential actions against underwriters and other offering defendants.	3.70
04/10/03	JHW	Short research on subsidiaries and consolidation.	0.90
04/10/03	HMS	Continue to draft complaint against Lehman Brothers et al., and examine factual matters and legal issues to develop claims for complaint	8.20
04/10/03	LBI	Review documents re background and key documents.	2.50
04/10/03	MXO	Research failure of consideration issue under New York and Minnesota law (1.00); meet with T. Valiulis re: same (.30).	1.30
04/10/03	MXO	Revise notes from 4/8/03 meeting.	0.20
04/10/03	CRO	Creating power point slides of charts presented in meeting on April 9.	2.50
04/10/03	CRO	Preparing pleading binder for Tony Valiulis and one binder for file; Preparing index for pleading binder.	1.60
04/10/03	CRO	Printing out e-mails containing research memos and distributing.	1.20
04/10/03	KAJ	Research and memo whether Lehman is an insider focusing on whether Lehman had control over Conseco for Harvey Barnett.	6.10
04/11/03	ACV	Review and analyze documents and court papers, including emergency motion (3.0); meeting with Rachel, Megan, and Hillard to go over facts and issues (.5); review and analyze research memos (1.0); meeting with Huron and Greenberg Traurig attorneys, including conference call with Conseco and its counsel (3.50); follow-up meeting with Harvey, Ed, Hillard, and Megan (.5)	8.50
04/11/03	HJB	Review research re Consolidating Piercing Corporate Veil.	1.00
04/11/03	HJB	Review draft complaint.	1.50
04/11/03	HJB	Conference with Valiulis re strategy.	0.50
04/11/03	HJB	Conference with Valiulis, Huron, Peterman and Mitchell and telephone conference with debtors re facts and strategy.	4.00
04/11/03	CJS	Analysis and suggestion revisions to draft complaint against Lehman Brothers.	2.20
04/11/03	JHW	Review Miscellaneous filings First Day, Cash Order, etc. from Harvey Barnett.	0.50
04/11/03	EDS	Meeting with Much Shelist lawyers, Huron Consultants, and Greenberg Traulg and conference call with C. Cremer and Cheryl Collins at Conseco regarding factual investigation of potention Lehman claims (4.0)	4.00
04/11/03	HMS	Continue to draft complaint against Lehman Brothers et al., and examine factual matters and legal issues to develop claims for complaint	6.30

Date	Atty		Hours
04/11/03	HMS	Meet with litigation team and participate in conference call with CFC witnesses discuss facts and develop support for claims	4.60
04/11/03	REF	Meeting with Tony Valiulis, Hillard Sterling and Megan Oliver re: research issues/repurchasing agreements; Lunch meeting with Huron people to discuss background issues; Review of documents/notes for case background.	3.00
04/11/03	MXO	Read memo on substantive consolidation issue.	0.20
04/11/03	MXO	Meet with Tony Valiulis, Hillard Sterling and Rachel Feldstein to discuss background and strategy.	0.50
04/11/03	MXO	Telephone conference with CFC re: fact-gathering and background.	3.30
04/11/03	CRO	Creating file folder labels and index for general file.	2.50
04/11/03	CRO	Updating index of bankruptcy pleadings.	0.50
04/11/03	CRO	Duplicating bankruptcy pleadings and distributing to Conseco litigation team.	0.50
04/11/03	KAJ	Research and memo whether Lehman is an insider focusing on whether Lehman had control over Conseco for Harvey Barnett.	0.90
04/12/03	ACV	Discuss with JAS research on substantive consolidation and review and analyze article and case law	1.00
04/12/03	HJB	Review purchase agreements, motions for Monday hearing, and memos re insiders and contract issues.	2.00
04/12/03	CJS	Analyze legal research re: equitable subordination; preferences against Lehman; "true sales" v. financing transactions; substantive consolidation. Re-analyze draft complaint against Lehman in context of same.	4.50
04/12/03	JAS	Research issues regarding substantive consolidation including non-debtor and nunc pro tunc issues.	4.90
04/12/03	JAS	Review memo regarding general substantive consolidation issues.	0.30
04/12/03	JAS	Conference with Valiulis regarding sub. consolidation issues.	0.20
04/12/03	EDS	Receive and review Emergency Motion For Approval of Stipulation related to Investigation and prosecution of Lehman Claims (.10); Review and analyze summary of Lehman Documents prepared by Greenberg Trauig (1.0); Review and analyze various research memoranda on substantive areas of law related to various Lehman claims prepared by Greenberg Trauig (1.0)	2.10
04/12/03	HMS	Continue to draft complaint against Lehman Brothers et al., and examine factual matters and legal issues to develop claims for complaint	4.70
04/12/03	KAJ	Research and memo whether Lehman is an insider focusing on whether Lehman had control over Conseco for Harvey Barnett.	4.70
04/13/03	ACV	Review and analyze research on equitable subordination and substantive consolidation and application of law to facts	1.00

Date	Atty		Hours
04/13/03	HJB	Review memo and case law re equitable subcontractor.	1.00
04/13/03	HJB	Review memo re repurchase v. securities issue.	1.00
04/13/03	HJB	Review motions re Lehman estimation hearings.	1.00
04/13/03	HJB	Conference with Vallulis re strategy.	0.30
04/13/03	HJB	Review proposed complaint.	1.00
04/13/03	JAS	Research issues regarding nunc pro tunc substantive consolidation.	1.40
04/13/03	JAS	Conference with Hillard Sterling.	0.40
04/13/03	JAS	Research fraudulent conveyance issues and requirements. Prepare memo regarding same.	3.10
04/13/03	EDS	Review and analyze C. Cremer Affidavit and various previously filed motions in bankruptcy court	2.50
04/13/03	HMS	Continue to draft complaint against Lehman Brothers et al., and examine factual matters and legal issues to develop claims for complaint	9.50
04/13/03	MXO	Research lack of consideration under New York law and prepare memo.	4.60
04/14/03	ACV	Review and analyze research on insiders and application to facts (.5); discuss and analyze issues with Harvey (.5); prepare for court appearance (.5); court appearance at omnibus hearing, including our retention (3.0); follow-up lunch meeting with Harvey (.5); meeting with team to go over latest developments (.5); consider and plan strategy (.5); telephone conference with Conseco's former counsel (.5) re facts; analyze claims and work on complaint (1.5)	8.00
04/14/03	HJB	Court appearance re appointment and hearing on estimation motions.	2.00
04/14/03	HJB	Review draft complaint, memo and research re equitable consolidation.	2.00
04/14/03	HJB	Conference with Tony Vallulis re strategy. Telephone call with Sawyer. Review agreements re consolidation issues.	3.00
04/14/03	CJS	Legal research re: analysis of S-3 and related offering documents for potential actions against underwriters and other offering defendants.	4.90
04/14/03	JAS	Telephone conference with Ray Warner regarding UCC issues (.3); Research UCC issues regarding perfection (5.1); Meeting with Ed Shapiro and Vallulis regarding various issues concerning perfection (1.0); Meeting with Sterling and finalization of memo regarding fraudulent conveyance (.7); Review case regarding equitable subordination (.4); Review draft of complaint (.4).	7.90
04/14/03	EDS	Review and analyze research memorandum on equitable subordination of non-insider claims and substantive consolidation	1.00
04/14/03	EDS	Review and revise draft complaint against Lehman Brothers entities	2.50
04/14/03	EDS	Continued review and analysis of various pleadings filed in bankruptcy and transactional documents	0.70

Date	Atty		Hours
04/14/03	EDS	Meeting with Conseco/Lehman trial team regarding responses to possible motions to dismiss complaint, discovery, discussion of research regarding necessity of filing new UCC-1's (.50); Review UCC financing statements filed by Lehman entities (1.50); Second meeting with Conseco/Lehman trial team regarding review of Warehouse and Residual facilities and cross-collateralization issues (.60)	2.60
04/14/03	EDS	Review Bankruptcy Rules regarding discovery (0.8); Begin analysis of appropriate discovery requests (1.0)	1.80
04/14/03	HMS	Complete initial draft of complaint against Lehman Brothers et al., and examine factual matters and legal issues to develop claims for complaint	10.60
04/14/03	REF	Meetings with Tony Vallulis, Ed Shapiro, Joanne Sarasin, Megan Oliver re: hearing before the court this morning and further issues/strategy (1.2); Review of draft complaint by Hillard Sterling and motion for entry of stipulation between creditors committee and debtor re: approving Lehman claims (2.5).	3.70
04/14/03	MXO	Research issue of lack of consideration under New York law and prepare memo (2.20); conference with Tony Vallulis re: same (.20); conference with Hillard Sterling re: same (.20).	2.60
04/14/03	MXO	Conference with Conseco team re: hearing today and strategy.	1.20
04/14/03	MXO	Conference with Ed Shapiro re: bankruptcy rules of procedure.	0.10
04/14/03	MXO	Prepare notes from 4/8/03 meeting for distribution to group.	0.50
04/14/03	CRO	Meeting with conseco litigation group regarding status of complaint and various research.	1.50
04/14/03	CRO	Telephone call and meeting with copy service representative for the purpose of creating poster board of diagram of background facts.	0.50
04/15/03	ACV	Continue to work on Hillard's draft of complaint (.5); review and analyze research memos and possible claims being for the complaint (1.0); telephone conference with C. Sawyer re cross-collateralization agreements and review language (.5); meeting with Harvey, Ed, and Hillard on complaint and theories (1.5)	3.50
04/15/03	ACV	Additional work on the complaint, including the facts and law and revising the allegations	2.00
04/15/03	HJB	Conference with Tony Vallulis, Ed Shapiro and Hillard Sterling re Complaint. Review Complaint. Telephone call with Sawyer re various issues.	3.00
04/15/03	CJS	Legal research re: analysis of S-3 and related offering documents for potential actions against underwriters and other offering defendants.	5.60
04/15/03	JAS	Research Issues regarding UCC article 9 perfection and inter-play with cross-collat issues (5.0); Research on issues regarding Non-Debtor Substantive Consolidation and Special Purposes Entity (2.5); Meeting with Vallulis and Barnett regarding issues of Sub consolidation (.2); Meet with Shapiro regarding perfection issues and review UCC 1's regarding same (1.0).	8.70

Date	Atty		Hours
04/15/03	EDS	Complete review and revisions to complaint (1.2)	1.20
04/15/03	EDS	Meeting with J. Sarasin and T. Valiulis regarding cross collateralization issues, and perfection requirements (.50); Assignment to C. Ortiz regarding financing statement searches (.20); Review financing statements (.30)	1.00
04/15/03	EDS	Meeting with H. Barnett, H. Sterling, T. Valiulis regarding final revisions to complaint	2.00
04/15/03	HMS	Revise draft complaint against Lehman Brothers et al., and examine factual matters and legal issues to develop revisions	11.20
04/15/03	HMS	Meet with team and discuss issues related to complaint and claims	1.30
04/15/03	REF	Continued review of draft complaint (.8); Review of notes from 4/11 meeting with Huron/Greenberg Traurig attorneys (.4); Review of repurchase agreements and office conference with Ed Shapiro re: same/responding to anticipated motion to dismiss (1.8); Review of research memo and evaluation of repurchase agreement re: sale vs. financing issue/research re: same (1.0).	4.00
04/15/03	MXO	Prepare notes from two meetings for distribution to group.	1.80
04/15/03	CRO	UCC search with Lehman as secured party and Greentree and Conseco as debtors in all jurisdictions.	0.50
04/15/03	CRO	Reviewing research memos distributed to litigation team and segregated for file.	1.00
04/15/03	KAJ	Research and memo regarding choice of law as it applies to fraudulent conveyance and lender liability for Harvey Barnett.	6.30
04/16/03	ACV	Review and revise complaint (3.0); review and analyze facts and claims (.7); meeting with counsel re complaint (1.0); telephone conference with Huron re solvency (.3); work on discovery (1.0); emails and telephone conferences with Nancy Peterman re complaint (.5)	6.50
04/16/03	HJB	Conference with Hillard Sterling, Tony Valiulis, Ed Shapiro re drafting of Complaint. Review Complaint. Review draft of document request.	3.00
04/16/03	CJS	Legal research re: analysis of S-3 and related offering documents for potential actions against underwriters and other offering defendants.	4.80
04/16/03	EDS	Meeting with H. Sterling and T. Valiulis regarding revisions to complaint (.50); Review and revise complaint (2.0); Telephone calls with S. Polatnik and A. Arnett regarding amount of undercollateralization under Residual Facility (.50); Second telephone call with A. Arnett and T. Valiulis regarding same (.40); Followup meeting with H. Sterling and T. Valiulis regarding final revisions to complaint and Greenberg Traurig revisions (.50)	3.90
04/16/03	EDS	Conseco/Lehman Trial team meeting regarding discovery	0.70
04/16/03	HMS	Revise, finalize and file complaint against Lehman Brothers et al.	10.30
04/16/03	REF	Research on sale vs. financing issue under NY and bankruptcy law (3.7); Meeting with Conseco group re: discovery issues (.7).	4.40

Date	Atty		Hours
04/16/03	MXO	Conference with group re: discovery requests.	0.60
04/16/03	MXO	Meet with litigation team re: discovery.	1.20
04/16/03	S-R	Prepare exhibits for complaint	0.80
04/16/03	CRO	Creating summons to be served on defendants in adversarial complaint; Telephone calls and e-mails to/from Kerry Carlson regarding exhibits for complaint and service list for complaint; Reading and responding to various e-mails and telephone call to/from Kerry Carlson, Hillard Sterling, and Tony Valiulis regarding complaint; Preparing exhibits to be sent to select parties on service list for complaint; Filing complaint in bankruptcy court; Preparing correspondence to accompany complaint to Lehman counsel regarding exhibits under protective order; Preparing copies of complaint to be sent to all parties on service list.	8.00
04/17/03	HJB	Review Complaint.	1.00
04/17/03	HJB	Review research re consolidation issues and equitable subordination issues.	1.00
04/17/03	HJB	Review document request.	1.00
04/17/03	CJS	Legal research re: analysis of S-3 and related offering documents for potential actions against underwriters and other offering defendants.	4.80
04/17/03	EDS	Draft document requests to Lehman (2.8); Various e-mails and telephone calls with T. Valiulis regarding discovery (.40)	3.20
04/17/03	HMS	Assist in distribution of complaint, submission to Judge Doyle with cover letter, and filing of full set of exhibits upon receipt of permission from Lehman counsel	1.40
04/17/03	HMS	Begin preparing draft discovery requests	3.20
04/17/03	REF	Quick review of version of complaint as filed with the court (.2); Continued research on sale vs. security/loan issue (2.0);	2.20
04/17/03	CRO	Creating pleading index and pleading binder.	0.40
04/17/03	CRO	Reviewing file material from Tony Valiulis and segregating into file.	0.60
04/17/03	CRO	Preparing complaint and exhibits to be sent to Nancy Peterman; Preparing complaint to be delivered to Judge Doyle; Preparing confidential exhibits not filed for Hillard Sterling and Ed Shapiro.	1.20
04/18/03	CJS	Legal research re: analysis of S-3 and related offering documents for potential actions against underwriters and other offering defendants.	6.20
04/18/03	EDS	Draft document requests to Lehman (4.5); Several conferences with R. Feldstein and e-mails with N. Peterman regarding subpoenas to CFN and related entities (.70)	5.20
04/18/03	HMS	Discuss and coordinate review of Judge Doyle's opinions for pertinent rulings	0.50
04/18/03	HMS	Prepare and review draft interrogatories and requests for production, and review underlying materials in the course of preparing discovery requests	4.70

Date	Atty		Hours
04/18/03	REF	Office conferences with Ed Shapiro re: preparing Subpoena for Fortress/CFN (.5) ; Emails to/from Nancy Peterman re: subpoena previously served on CFN (.4); Prepared subpoenas and document rider for Fortress, Flowers, Cerebus and CFN (2.9); Telephone call to Terese Carey re: documents produced by CFN(.3); Continued research on sale vs. financing issue (.5).	4.60
04/18/03	CRO	Working with Hillard Sterling and Angie McDonough to get additional exhibits to complaint filed; Telephone call to/from Kerry Carlson regarding complaint exhibits; Preparing coversheet for exhibits.	5.00
04/19/03	ACV	Work on discovery	2.00
04/19/03	JAS	Review decisions by Judge Doyle regarding rulings on issues in case and standards on motions to dismiss and summary judgment.	2.70
04/19/03	EDS	Continue drafting requests to produce documents to Lehman (3.8);Two telephone messages from H. Sterling regarding revisions to same (.30);E-mails to H. Barnett and T. Valiulis regarding same (.20)	4.30
04/19/03	HMS	Examine draft interrogatories and requests for production, and develop revisions to be considered by Ed Shapiro	3.20
04/19/03	REF	Office conference with Ed Shapiro re: comments to draft rider to subpoena to CFN, Fortress, Cerebus, Flowers, revised per same, and email to Tony Valiulis and Harvey Barnett re: same (.4); Continued research on sale v. loan transaction and began drafting law section of Consecoco's response to Lehman's anticipated motion to dismiss 3.1).	3.50
04/19/03	MXO	Research recital of consideration requirement (.30) and what constitutes forbearance (.70) under NY and MN law.	1.00
04/21/03	ACV	Prepare for court hearing, including review of complaint and other documents (2.0); lunch meeting with Hillard and Harvey re strategy, hearing, etc. (.7); meeting with Greenberg attorneys re hearing, settlement, and strategy (1.0); court hearing on Lehman motion, among other items (1.0); review and discuss with JAS research re UCC perfection (.5)	5.20
04/21/03	HJB	Conference with Nancy Peterman and Nancy Mitchell re strategy.	1.00
04/21/03	HJB	Court appearance re Adversary Complaint.	2.00
04/21/03	HJB	Conference with Tony Valiulis, et al. re strategy.	0.50
04/21/03	HJB	Review document request to Lehman, Complaint and research on legal issues for hearing.	1.50
04/21/03	CJS	Analysis of documents related to securities offering and warehouse and asset facilities. Legal research re: potential common law actions arising out of securities offerings.	4.60
04/21/03	JAS	Research issues concerning UCC perfection and assignment and unnamed secured parties (7.1). Inter-office conference with Valiulis regarding perfection issues (.4).	7.50
04/21/03	HMS	Revise draft discovery requests	5.20
04/21/03	HMS	Prepare for and participate in hearing before Judge Doyle	2.30

Date	Atty		Hours
04/21/03	REF	Meeting with Tony Valiulis re: subpoena rider for CFN, Fortress, Flowers, and Cerebus and hearing at 2pm today re: pending issues (.5); Review of document requests to Lehman and revised rider per same/comments by Tony Valiulis (1.8); Email to/telephone call from Nancy Peterman re: same (.5); Continued research on sale vs. loan issue re: same (1.3); Appeared in court on motion by Lehman's to compel participation in estimation/meeting with co-counsel to discuss persuasive paper requested by court (1.4).	5.50
04/21/03	MXO	Conference with Tony Valiulis re: forbearance research.	0.20
04/21/03	CRO	Reviewing and segregating file material for the purpose.	1.50
04/22/03	ACV	Work on submission for Lehman estimation hearing (.5); work on discovery (.5); meeting with team re status, strategy, writing brief, discovery (1.5); meet with Ed, Rachel, and Hillard on discovery (.5); meeting with Huron team re factual issues, including valuation and solvency, and information needed for brief (2.0)	5.00
04/22/03	HJB	Conference with Conseco Group, Tony Vallulls, Ed Shapiro, Hillard Sterling re strategy and trial brief for court.	2.00
04/22/03	HJB	Conference with Tony Valiulls, Ed Shapiro, Hillard Sterling, and Huron re strategy, insolvency and other Lehman issues.	2.00
04/22/03	HJB	Review documents from Huron re insolvency issues.	1.00
04/22/03	HJB	Review document requests and memos re subordination issues.	1.00
04/22/03	CJS	C/W - Huron and N. Peterman re: litigation strategy and consulting expert needs re: filed case and potential securities action against Lehman.	2.00
04/22/03	CJS	C/W - Lehman litigation team re: trial briefing; litigation strategy and consulting expert needs re: filed case and potential securities action against Lehman.	1.70
04/22/03	CJS	C/W - A. Arnett and discussion of offering of B-2 certificates, both retained and issuances to investing market. Analyze 200 and 2001 prospectuses re: issuance of publicly traded B-2 certificates.	2.80
04/22/03	EDS	Conseco Team Meeting regarding position statement required by court, including discussion of issues and assignment of sections of brief, discussion of discovery issues	1.50
04/22/03	EDS	Meeting with R. Feldstein, H. Sterling, T. Valiulis regarding revisions to discovery requests (.50); Revise document request (1.3)	1.80
04/22/03	EDS	Meeting with Conseco Team, Huron Team, and N. Peterman regarding additional information needed from Huron, expert witnesses, collateralization issues, Conseco accounting issues	1.70
04/22/03	EDS	Begin review of case law regarding equitable subordination	0.80
04/22/03	HMS	Meet with team and develop strategies for preparing position paper in accordance with Judge Doyle's rulings	1.30
04/22/03	HMS	Prepare for and participate in meeting with team and Huron consultants to develop factual evidence supporting claims	2.20

Date	Atty		Hours
04/22/03	REF	Meeting with Conseco team re: status hearing yesterday, "trial brief" , and discovery issues (2.0); Conferences with Carmen Ortiz re: CFN and Lehman documents (.3); Meeting with Ed Shapiro and Hillard Sterling re: document requests and subpoena to CFN entities (.7); Meeting with Huron people and Conseco team re: trial brief strategy/analysis of financial issues (2.0); Telephone call to/from attorney for CFN re: accepting service of subpoena (.4); Review of/edited revised document request to Lehman (.3); Revised subpoenas to CFN, Fortress, Cerberus and JC Flowers/letter to CFN attorneys re: agreement to accept service (.4).	6.10
04/22/03	LBI	Conference with litigation team to discuss strategy.	1.30
04/22/03	MXO	Conference with team re: hearing yesterday and trial brief assignments.	1.20
04/22/03	MXO	Research what constitutes forbearance under New York law.	0.30
04/22/03	CRO	Meeting with Therese Carrey regarding summation database.	1.50
04/22/03	CRO	Telephone call to/from Therese Carrey regarding documents produced by Lehman to Becker & Pollakoff; e-mail correspondence to/from Therese Carrey regarding documents produced by various parties and indices of such.	1.00
04/22/03	CRO	Reviewing interim compensation order; Drafting preliminary application for interim compensation.	2.00
04/22/03	KAJ	Meeting updating status of case.	1.10
04/23/03	ACV	Review and analyze financial information (1.0); work on brief for estimation hearing (2.0)	2.50
04/23/03	HJB	Review transcript of hearing, materials re valuation of collateral, e-mails with Ed Shapiro, et al. re strategy and trial brief.	2.00
04/23/03	CJS	Analysis of documents related to securities offering and warehouse and asset facilities. Legal research re: potential common law actions arising out of securities offerings.	3.80
04/23/03	JAS	Research issues regarding perfection issues and assignment and representative party (5.9). Inter-office conference with Shapiro regarding same (.8). Review UCC statements in detail (1.2).	7.90
04/23/03	EDS	Finalize document requests to Lehman and service letters (1.0)	1.00
04/23/03	EDS	Receive and review transcript of April 21, 2003 court hearing	0.50
04/23/03	EDS	Conference with Joanne Sarasin regarding perfection and UCC issues for position statement	1.00
04/23/03	EDS	Work on equitable subordination section of position statement	1.00
04/23/03	HMS	Review and revise draft discovery requests	2.50

Date	Atty		Hours
04/23/03	REF	Office conferences with Ed Shapiro re: subpoenas to CFN, Fortress Cerberus, and JC Flowers and re: service list for core group (.5); Revised Rider to subpoenas, prepared letters to CFN, Fortress, Cerberus, Flowers re: same and prepared same to be served (2.0); Review of revised/final version of document requests (.5); Telephone calls and emails to/from Carmen Ortiz re: document production by Lehman/CFN (.5).	3.50
04/23/03	LBI	Review and analyze Complaint.	1.00
04/23/03	CRO	Research regarding proper service of adversary complaint in Bankruptcy case.	1.50
04/23/03	CRO	Reviewing e-mail from Therese Carrey with attachment of protective order; Reading protective order.	0.70
04/23/03	CRO	Voicemail to Rachel Feldstein regarding CFN documents and Lehman documents; E-mail from Rachel Feldstein regarding CFN documents and Lehman documents.	0.30
04/23/03	CRO	Voicemail message requesting information on the number of boxes originally produced by Lehman.	0.10
04/23/03	KAJ	Pulled cases cited by Peterman and Jones in equitable subordination memo; keycited cases; and, pulled pertinent cases and articles for Ed Shapiro.	3.60
04/23/03	KAJ	Research and memos re: requirements under 11 USC 544(a)(1), 547(b) and (e)(2), and 548(a)(1)(B) for Lisa Ben-Isvy.	2.30
04/24/03	CJS	Analysis of documents related to securities offering and warehouse and asset facilities. Legal research re: potential common law actions arising out of securities offerings	4.70
04/24/03	EDS	Continue review and analysis of equitable subordination case law	2.00
04/24/03	HMS	Develop process for reviewing documents produced by Lehman, and develop and discuss strategies for review with team	1.60
04/24/03	REF	Review of document indexes for Lehman and CFN documents (.6); Emails from/to Ed Shapiro and Hilliard Sterling re: same and misrepresentation by Lehman re: 100 boxes of documents (.7); Emails and phone calls to/from Carmen Ortiz re: Lehman documents and those at law firm in FL (.9); Review of transcript from April 21st court hearing (.8).	3.10
04/24/03	LBI	Research re preferential transfers.	3.00
04/24/03	MXO	Conference with Kendalle Jacobsen re: section 547 research.	0.20
04/24/03	CRO	Brief telephone call with paralegal at Becker & Poliakoff regarding documents previously produced by Lehman.	0.20
04/24/03	CRO	Brief Telephone call with Ed Shapiro and Rachel Feldstein regarding conversation with paralegal at Becker & Poliakoff; E-mail to Rachel Feldstein regarding such.	0.30
04/24/03	CRO	Updating pleading index and general file index.	0.90

Date	Atty		Hours
04/24/03	CRO	Reviewing e-mail to/from Hillard Sterling, Ed Shapiro, Rachel Feldstein regarding meeting to discuss document maintenance and review.	0.10
04/24/03	CRO	Brief meeting with copy service representative regarding the delivery of copies of Lehman documents.	0.20
04/24/03	CRO	Reviewing e-mail correspondence and preparing responses to Therese Carrey regarding Lehman and CFN documents.	1.00
04/24/03	KAJ	Researched the top five 7th circuit bankruptcy cases on equitable subordination for Ed Shapiro.	0.90
04/24/03	KAJ	Research and memos re: requirements under 11 USC 544(a)(1), 547(b) and (e)(2), and 548(a)(1)(B) for Lisa Ben-Isvy.	5.00
04/25/03	HJB	E-mails with Ed Shapiro re strategy and trial briefs. Review research on consolidation and insolvency issues.	2.00
04/25/03	CJS	Analysis of research related to draft trial memo.	2.00
04/25/03	EDS	Meeting with H. Sterling, R. Feldstein, C. Ortiz regarding discovery approach, establishing database, assignment for document review	1.00
04/25/03	EDS	Work on equitable subordination section of position statement	3.80
04/25/03	HMS	Research facts and law to support excerpts for position paper	2.30
04/25/03	REF	Meeting with Ed Shapiro, Hillard Sterling and Carmen Ortiz re: handling document review and organization issues (1.5); Prepare list of agreements and various names for same for document review sheet (.4); Review of final order on post-petition financing, Carmen's affidavit in support of first day motions, proof of claims by Lehman, Debtor's objections to Lehman claims, Lehman's motion to compel CFC committee in estimation hearing (2.9).	4.80
04/25/03	CRO	Meeting with Rachel Feldstein, Ed Shapiro, and Hillard Sterling regarding strategy for reviewing Lehman documents.	1.20
04/25/03	CRO	Creating control cover sheet for Lehman document review; Revising control sheet for Lehman coverhseet.	0.60
04/25/03	CRO	Telephone call with copy service regarding copying Lehman documents; Escorting copy service rep to Conseco work room; Escorting copy service rep to service elevators.	0.50
04/25/03	KAJ	Research and memos re: requirements under 11 USC 544(a)(1), 547(b) and (e)(2), and 548(a)(1)(B) for Lisa Ben-Isvy.	0.70
04/26/03	EDS	Continue drafting equitable subordination section of position statement	1.50
04/27/03	LBI	Draft insert for brief on Count VI, preferential transfers. Review research.	3.50
04/27/03	MXO	Review memos on fraudulent conveyance and complaint (1.0); review caselaw regarding forbearance (.50).	1.50
04/28/03	ACV	Review status of inserts to position brief (.3); review facts and documents (1.0) work on brief (5.0)	6.30