

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
: In re Chapter 11
: CONTIFINANCIAL CORPORATION, et al., Case No. 00 B 12184 (AJG)
: Debtors. (Jointly Administered)
: -----X

FINAL APPLICATION FOR COMPENSATION

Name of Applicant: Cronin & Vris, LLP

Authorized to Provide Professional Services to: ContiFinancial Corporation, ContiTrade Services, LLC and ContiWest Corporation

Date of Retention: May 24, 2000 and July 18, 2000

Period for Which Compensation and Expense Reimbursement is Sought: May 17, 2000 through December 19, 2000

Amount of Compensation sought as actual, reasonable And necessary: \$230,940

Amount of Compensation Previously sought: (Please refer to paragraph 4 of the Application)

Amount of Expense Reimbursement previously sought: \$ 0

This is a(n) Interim X Final Application

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
: In re Chapter 11
: CONTIFINANCIAL CORPORATION, et al., Case No. 00 B 12184 (AJG)
: Debtors. (Jointly Administered)
: -----X

**FINAL APPLICATION OF CRONIN & VRIS, LLP,
COUNSEL TO CONTIFINANCIAL CORPORATION AND AFFILIATES,
SEEKING ALLOWANCE OF COMPENSATION
UNDER 11 U.S.C. § 330 FOR THE PERIOD
BEGINNING MAY 17, 2000 AND ENDING DECEMBER 19, 2000**

Cronin & Vris, LLP (“Cronin & Vris”), counsel to ContiFinancial Corporation, ContiTrade Services, L.L.C. and ContiWest Corporation (collectively, the “Debtors”), submits this application seeking allowance of compensation under 11 U.S.C. § 330 for the period May 17, 2000 through December 19, 2000 (the “Application Period”) and represents as follows:

Background

1. On May 17, 2000 (the “Petition Date”), the Debtors filed with this Court their voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §101 *et seq.* (as amended, the “Bankruptcy Code”). Under Bankruptcy Code sections 1107 (a) and 1108, the Debtors continued to operate their businesses and manage their properties as debtors-in-possession.
2. On May 18, 2000 the Debtors petitioned the Court for an Order authorizing them to retain Cronin & Vris, LLP as counsel for the Debtors. The Court

approved its retention on an interim basis by Order dated May 24, 2000 and on a final basis by Order dated July 18, 2000 (collectively, the “Retention Order”). A copy of the Retention Order is attached as Exhibit A.

3. On December 19, 2000, this Court entered an Order Confirming Third Amended Joint Plan of Reorganization for the Debtors. This Application is being filed pursuant to Section 11.03 (b) of the Debtors’ Third Amended Joint Plan of Reorganization, as well as Bankruptcy Code Section 330.

4. Cronin & Vris previously submitted its First Interim Fee Application. However, Cronin & Vris withdrew consideration of that application and has not filed any other application for interim fees. Pursuant to the order dated June 21, 2000 establishing certain administrative procedures in the Debtors’ cases, including procedures for interim compensation of professionals (the “Administrative Order”), Cronin & Vris invoiced the Debtors monthly and, prior to the time at which it withdrew consideration of its First Interim Application, applied its retainer to its fees. However, no amounts invoiced by Cronin & Vris have been considered or approved by the Court.

Jurisdiction and Venue

5. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334, and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 10, 1984 (Ward, Acting C.J.). Consideration of this Application is a core proceeding pursuant to 28 U.S.C. § 157 (b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1048 and 1049.

**Compliance With Guidelines and Orders Governing
Applications for Compensation and Reimbursement of Expenses**

6. This Application has been prepared in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995, the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 adopted on January 30, 1996 (collectively, the “Local Guidelines”) and the Administrative Order. Pursuant to the Local Guidelines, the certification of Denis F. Cronin regarding compliance with the same is attached hereto as Exhibit B.

Summary of Application

7. Cronin & Vris seeks allowance of compensation for the Application Period in the aggregate amount of \$230,940. During the Application Period, Cronin & Vris attorneys expended a total of 469.3 hours for which compensation is requested.

8. A schedule setting forth the number of hours expended by each of the attorneys of Cronin & Vris who rendered services to the Debtors, their respective hourly rates, and the year of bar admission for each Cronin & Vris attorney, is attached hereto as Exhibit C. A schedule setting forth a description of the project categories utilized in these cases and the number of hours expended by the attorneys by project category is attached hereto as Exhibit D.

9. Cronin & Vris maintains records of the time spent by all attorneys in connection with the prosecution of the Debtors’ chapter 11 cases. Subject to redaction for the attorney-client privilege where necessary to protect the Debtors’ estates, copies of these records will be furnished to the Court, counsel for the Unofficial Committees of

Unsecured Creditors (the “Unofficial Creditors’ Committees”), and the United States Trustee for the Southern District of New York (the “U.S. Trustee”) in the format specified by the Local Guidelines.

10. At the commencement of these cases, Cronin & Vris held a retainer in the amount of \$252,465 for services to be rendered. Pursuant to the Administrative Order, Cronin & Vris has applied this retainer to a portion of the fees sought in this Application, subject to entry of an Order by this Court approving the payment of such fees. In the event an Order is entered approving this Application, Cronin & Vris will apply its retainer to the total amount of compensation sought and pay the balance to the Debtors.

Services Rendered -- Debtors

11. ContiFinancial is a public company with over 7,000,000 shares of common stock and three series of public debt outstanding. On a consolidated basis, the Debtors filed their chapter 11 cases with \$838,653,000 of assets and \$1,312,333,000 of liabilities and had 2,200 employees. The Debtors were parties to a number of credit facilities involving numerous financial institutions. The Debtors’ businesses consisted primarily of purchasing, servicing, selling and originating home equity loans secured generally by first liens on residential properties.

12. The Debtors determined at the time of filing their petitions that the sale of substantially all of the servicing business was critical both to preserve value for the estates and to reorganize successfully. The servicing assets consisted primarily of the right to service approximately 153,000 loans in all fifty states and the District of Columbia with an aggregate outstanding balance of approximately \$9.2 billion. The sale of these assets involved the analysis of numerous complex issues, multi-party

negotiations of complicated terms and the coordination of the efforts of numerous personnel. Given the nature of the assets, time was of the essence. After an auction conducted under the Court's supervision and jurisdiction in which competing bids were submitted and compared, the servicing assets were sold to Fairbanks Capital Corp.

13. In addition to the customary difficulties in maintaining necessary personnel when a company files, the Debtors faced the extraordinary challenge of keeping employees during the sale process: their continued good will and morale were essential to preserving the value of the assets to be sold. This challenge was met in the face of certain layoffs upon completion of the sale.

14. The sale of so significant a portion of the Debtors' assets so early in the case required creditor support. The Debtors had a complicated capital structure; in addition to ordinary course trade debt, the debt at the time of filing included three series of public debt, a revolving credit facility, a commercial letter of credit reimbursement facility and several short term loan agreements known as warehouse facilities. Enlisting the necessary creditor support required extensive communication with the creditors. During the course of these meetings, intercreditor issues also arose requiring extensive and immediate negotiations to resolve. After the successful closing of the sale of the servicing rights to Fairbanks, the Debtors continued to evaluate the prospects for a sale of the loan origination business. The sale of this business presented a new set of challenges. The Debtors had severely curtailed the origination of new loans prior to the filing of the petitions. A sale of the business had to be structured in a manner which reduced the Debtors' expenses and its exposure to liabilities, including possible obligations to employees and lease obligations to landlords. The Debtors sought to sell the origination

business to Avatar Acquisition Corp., a company newly formed by three senior executives of Conti Mortgage. After months of negotiation and preparation of sale documents, the transaction failed to close because the financial institution financing the deal decided in December 2000 not to go forward.

15. Having taken immediate steps to preserve value for the estates through the sale of assets, the Debtors continued their work on formulating a plan and preparing a disclosure statement. This process involved extensive negotiation with creditors holding significantly different types of claims. These negotiations culminated in the approval of the Debtors' Disclosure Statement by Order of the Court dated November 10, 2000 and ultimately, after balloting and receiving the requisite creditor approval, confirmation of the Debtors' Third Amended Joint Plan of Reorganization.

16. Cronin & Vris has rendered its services in connection with all of these activities during the Application period, including the following:

- (a) Advising the Board of Directors of ContiFinancial Corporation in connection with general corporate, reorganization and employee matters;
- (b) Assisting and advising the Debtors in connection with the sale of the servicing business to Fairbanks Capital Corp., including assistance in the evaluation and negotiation of a competing bid and the negotiation of the Purchase and Sale Agreement with Fairbanks Capital Corp.;
- (c) Assisting and advising the Debtors regarding the proposed sale of the mortgage origination business to Avatar Acquisition Corp.;
- (d) Assisting and advising the Debtors in negotiations with their major creditor constituencies over certain intercreditor disputes;

- (e) Advising the Debtors with respect to numerous employee, employee retention and employee severance issues;
- (f) Assisting and advising Debtors regarding the Debtors' proposed Plan of Reorganization and its Disclosure Statement filed in connection therewith and numerous issues regarding the same;
- (g) Advising the Debtors with respect to a possible settlement of all claims of the Debtors and others against ContiGroup Corp., the former parent of the Debtors; and
- (h) Advising the debtors with respect to the transfer of the administration of the Debtors' estates to the liquidating Trustee.

Services Rendered -- Empire

17. Shortly prior to the commencement of these cases, Empire Funding Corporation ("Empire") filed for protection under chapter 11 of the Bankruptcy Court in Austin, Texas. Although previously an originator and servicer of home improvement and debt consolidation loans, at the time of its filing, Empire no longer originated loans. It continued in business as a specialized servicer of mortgage loans and also continued to hold residual interests in revenues generated by the loan pools it had previously securitized.

18. ContiTrade, with, in some cases, ContiFinancial and other Debtor affiliates in these cases, is a party to numerous agreements with Empire. Among other things, ContiTrade advanced and had outstanding loans to Empire in excess of \$70 million when, in 1999, it entered into a Master Agreement dated as of April 16, 1999 with Empire, ContiFinancial and other Debtor affiliates (the "Master Agreement"). In

general terms, the Master Agreement provided for the transfer to ContiTrade of certain assets of Empire in exchange for a restructuring of the outstanding loans. Empire has raised objections to some or all of ContiTrade's claims against Empire and disputed the effect the Master Agreement had on those claims.

19. Shortly after its chapter 11 filing, Empire determined to sell substantially all of its servicing rights pursuant to Section 363. Under various documents to which ContiTrade is a party, ContiTrade claims either an ownership interest in or security interest in those servicing rights. Empire has since sold a substantial portion of its servicing rights.

20. To protect its interests, ContiTrade has filed an adversary proceeding against Empire in Empire's case seeking an adjudication of its rights and interests in certain property. Empire has filed proofs of claim against the Debtors and attempted both to amend its proofs of claims and assert counterclaims against the Debtors, all of which is the subject of a continuing dispute among the relevant parties. In addition, the Debtors and Empire have agreed to an estimation of Empire's claims against the Debtors for purposes of creating a reserve in these cases for Empire's disputed claims against the Debtors. The Debtors have also moved in the Empire case for conversion of Empire's chapter 11 case to one under chapter 7 or, alternatively, for the appointment of a trustee.

21. During the Fee Application Period, Cronin & Vris has assisted ContiTrade in connection with the foregoing matters relating to Empire as follows:

- (a) Drafting and negotiating a cash collateral order, coordinating with the Debtors' local counsel, Vinson & Elkins, L.L.P., ("Vinson & Elkins"), counsel for Empire and counsel for the Creditors' Committee appointed in that case;

reviewing rights relative to other creditors asserting interests in the cash collateral; preparing generally for a possible contested cash collateral hearing, including review of perfection issues, debt instruments and related legal issues with local counsel; reviewing proposed cash budgets for cash collateral period;

(b) Reviewing numerous first day pleadings filed by Empire and communicating with both Debtors' counsel and employees of ContiFinancial;

(c) Acting as liaison generally on matters affecting the Debtors in the Empire case, reporting to the Board of Directors and senior management of the Debtors and coordinating with Debtors' counsel, including, for example, reviewing and assisting in the process of obtaining the requisite authority from the Court in these cases to proceed with an agreed upon cash collateral order in the Empire case;

(d) Continually reviewing settlement possibilities with Debtors' management and local counsel, including review of litigation alternatives, in particular, identifying grounds for a potential adversary proceeding against Empire;

(e) Reviewing and negotiating with Empire's counsel proposed bidding procedures for conducting an auction for its servicing rights and servicing platform and coordinating the same with personnel at ContiFinancial and the Debtors' local counsel;

(f) Analyzing Debtors' interests implicated in the proposed sale of assets, including a review of potential cure claims for proposed assignment and assumption of executory contracts to which one or more Debtors is a party;

(g) Preparing in detail for filing of an adversary proceeding against Empire to determine ContiTrade's interests in certain assets and its claims against Empire,

including researching relevant legal issues, interviewing, together with Debtors' local counsel, former employees and other representatives of the Debtors in preparation for filing a complaint, discussing strategy with senior management at ContiFinancial, acting as a liaison with the Debtors' creditors; and reviewing drafts of complaint filed by Debtors' local counsel;

(h) Assisting co-counsel in the preparation of Debtors' schedules listing assets and claims relating to Empire:

(i) Assisting co-counsel in preparing for a hearing in these cases on Empire's motion to have the stay lifted to assert certain counterclaims against the Debtors and in preparing for the estimation of Empire's claims in these cases and the filing of a motion in the Empire case seeking conversion of Empire's Chapter 11 case to one under Chapter 7 or, alternatively, for the appointment of a trustee.

22. Work relating to Empire has required intensive periods of activity, with limited notice periods in the Empire case for significant events. Resolution of issues required extensive communication, involving coordination with two different bankruptcy cases proceeding in different fora and negotiation among interested parties in the various bankruptcy cases. Protecting the Debtors' interests in the Empire case has required the identification and analysis of novel or uncommon issues.

23. Cronin & Vris has worked closely with co-counsel Vinson & Elkins throughout Empire's chapter 11 case. Over time, as activity involving the Debtors' interests increased in the bankruptcy court in Texas having jurisdiction over the Empire case, Vinson & Elkins acquired extensive knowledge of the facts and circumstances of the relationship between the Debtors and Empire. To avoid duplication of services,

Cronin & Vris became correspondingly less involved in the activities relating to Empire. By the time the sale of Empire's assets was approved in Empire's chapter 11 case, Cronin & Vris had substantially reduced the amount of time it spent on Empire¹

The Requested Compensation Should be Allowed

24. Section 330 of the Bankruptcy Code sets forth substantive standards for the Court's award of such compensation. 11 U.S.C. § 330. Section 330 provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered... and reimbursement for actual, necessary expenses." 11 U.S.C. § 330 (a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent, and the value of such services, taking into account all relevant factors, including –

- (a) the time spent on such services;
- (b) the rates charged for such services;
- (c) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (d) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and

¹ Although beyond the scope of the Application, currently, as the disputes between Empire and the Debtors have raised issues requiring adjudication by this Court, Cronin & Vris has more actively assisted Vinson & Elkins.

(e) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(3).

25. During the Application Period the Debtors stabilized their businesses, and re-established the confidence of their employees and critical parties to certain securitization transactions, sold a substantial portion of their assets, and formulated a plan of reorganization which has since been confirmed. The contemporaneous filing by Empire under chapter 11 required timely responses to protect the Debtors' interests and to coordinate with the administration of these cases. The Debtors have also commenced litigation against Empire, had Empire's claims estimated for distribution purposes and sought to have either a trustee appointed in Empire's Chapter 11 case or a conversion of that case to one under Chapter 7. Litigation and settlement efforts continue in the Empire case.

26. No request is being made for separate reimbursement of expenses accrued during the Application Period.

27. In sum, the services rendered by Cronin & Vris were necessary and beneficial to the Debtors' estates, and were consistently performed in a timely manner commensurate with the complexity, importance, and nature of the issues involved, and approval of the compensation sought herein is warranted.

Certification

28. As set forth in the certification of Denis F. Cronin, annexed hereto as Exhibit B, the compensation requested by Cronin & Vris is based on the customary

compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code.

29. No agreement or understanding exists between Cronin & Vris and any other person for a sharing of compensation received or to be received for services rendered in or in connection with these chapter 11 cases, nor shall Cronin & Vris share or agree to share the compensation paid or allowed from the Debtors' estates for such services with any other person. The foregoing constitutes the statement of Cronin & Vris pursuant to section 504 of the Bankruptcy Code and Bankruptcy Rule 2016(a).

30. No agreement or understanding prohibited by 18 U.S.C. § 155 has been or will be made by Cronin & Vris.

31. To the best of Cronin & Vris' knowledge, all quarterly fees payable to the U.S. Trustee have been paid by the Debtors and all required monthly operating reports have been filed with the U.S. Trustee.

32. A copy of this Application has been provided to Mr. Frank Baier, Chief Financial Officer of the Debtors.

Waiver of Memorandum of Law

33. Pursuant to Local Bankruptcy Rule of the Southern District of New York 901-3-1(b), because there are no novel issues of law presented by this Application, the Debtors respectfully request that the Court waive the requirement that the Debtors file a memorandum of law in support of this Application.

34. Pursuant to the Administrative Order, copies of this Application have been given to (i) the U.S. Trustee; (ii) the attorneys for the Unofficial Creditors' Committees; and the other parties on the attached service list.

WHEREFORE, Cronin & Vris respectfully requests (i) the final allowance of compensation for professional services rendered as attorneys for the Debtors in the amount of \$230,930 in fees for the period of May 17, 2000 through December 19, 2000 (ii) authorization to charge all amounts awarded pursuant to clause (i) to the retainer received and held by Cronin & Vris and (iii) such other and further relief as is just.

Dated: New York, New York

February 2, 2001

CRONIN & VRIS, LLP
Counsel for ContiFinancial
Corporation, ContiTrade Services,
LLC and ContiWest Corporation

By: _____
Denis F. Cronin (DC-1958)
380 Madison Avenue
24th Floor
New York, New York 10017
(212) 692-0004

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
:
In re Chapter 11 :
:
CONTIFINANCIAL CORPORATION, et al., : Case No. 00 B 12184 (AJG)
:
Debtors. :
: (Jointly Administered)
- -----x
-

ORDER PURSUANT TO SECTION 327(e) OF THE BANKRUPTCY CODE AND
RULE 2014 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE
AUTHORIZING THE RETENTION AND EMPLOYMENT ON A FINAL BASIS OF
CRONIN & VRIS, LLP AS SPECIAL COUNSEL FOR THE DEBTORS

Upon the Motion (the "Motion") of ContiFinancial Corporation ("CFN"), ContiTrade Services L.L.C. and ContiWest Corporation (collectively, the "Debtors"), debtors and debtors-in-possession herein, seeking the entry of an order pursuant to section 327(e) of Title 11 of the United States Code (the "Bankruptcy Code") authorizing the Debtors to retain and employ the firm of Cronin & Vris, LLP ("Cronin & Vris") as their special counsel; and upon the affidavit of Denis F. Cronin, which is annexed to the Motion as Exhibit "B," wherein it appears that such attorneys do not represent any interest adverse to the Debtors' estates with respect to the matters upon which they are to be engaged; and upon the Order dated May 24, 2000, wherein the Court authorized the Debtors to retain and employ Cronin & Vris on an interim basis until July 18, 2000, on the terms set forth in such Order; and upon the hearing held on July 18, 2000 with respect to the retention and employment of Cronin & Vris on a final basis by the Debtors; and this Court having determined that such retention is in the best interests of the Debtors, their estates, creditors and equity security holders; and notice of this proposed Order having been given to the (i) Office of the United States Trustee for the Southern District of New York; (ii) Akin, Gump, Strauss, Hauer & Feld, L.L.P, counsel for the Unofficial Noteholders Committee; (iii) Weil, Gotshal & Manges, LLP, counsel to the Bank Group; and (iv) any party which has filed a Notice of Appearance in these cases, and it appearing that no other or further notice being required; and after due deliberation and sufficient

cause appearing therefor, it is

ORDERED, that the Motion is hereby granted in its entirety; and it is

further

ORDERED, that, in accordance with section 327(e) of the Bankruptcy

Code, each of the Debtors is hereby authorized to retain and employ on a final basis

Cronin & Vris as special counsel to perform the services set forth in the Motion; and it is

further

ORDERED, that all compensation and reimbursement of expenses to be

paid to Cronin & Vris shall be subject to the Order of the Court dated June 21, 2000

which establishes procedures for monthly compensation and reimbursement of expenses

consistent with Sections 330 and 331 of the Bankruptcy Code, and such other procedures

as may, from time to time, be fixed by Order of this Court; and it is

further

ORDERED, that the Debtors are authorized and empowered to take such

actions as may be necessary and appropriate to implement the terms of this Order.

Dated: New York, New York

July 18, 2000

s/Arthur J. Gonzalez

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
: In re Chapter 11
: CONTIFINANCIAL CORPORATION, et al., Case No. 00 B 12184 (AJG)
: Debtors. (Jointly Administered)
: -----X

**CERTIFICATION OF DENIS F. CRONIN,
AS CERTIFYING PROFESSIONAL FOR CRONIN & VRIS, LLP**

I, Denis F. Cronin, submit this certification in connection with the Final Application of Cronin & Vris, LLP, Counsel to ContiFinancial Corporation and Affiliates, Seeking Allowance of Final Compensation and Reimbursement of Expenses Under 11 U.S.C. §§ 330 and 331 for the Period Beginning May 17 and Ending December 19, 2000 (the “Final Fee Application”). I hereby certify as follows:

1. I have been designated by Cronin & Vris, LLP, as the professional with the responsibility in these cases for compliance with the Administrative Order re Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 21, 1995 (amending the Administrative Order dated June 24, 1991) and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 adopted January 30, 1996 (collectively, the “Guideline Order”).

2. I have read the Final Fee Application. To the best of my knowledge, information and belief formed after reasonable inquiry, the Final Fee Application complies with the mandatory guidelines set forth in the Guideline Order and the fees

sought fall within the guidelines of the Guideline Order. Cronin & Vris is not seeking reimbursement of any expenses in the Final Fee Application. The fees sought are billed at and in accordance with practices customarily employed by Cronin & Vris and generally accepted by Cronin & Vris' clients.

3. Counsel for the Unofficial Creditors Committees, and the Debtors have all been provided a monthly statement of fees and disbursements accrued during such month. The statements have all contained a list of professionals providing services, their respective billing rates, the aggregate hours spent by each professional and a general description of services rendered. No disbursements were included in any monthly statement, and Cronin & Vris is not now seeking reimbursement for any expenses.

4. Counsel for the Unofficial Creditors Committees, and the Debtors are each being provided with a copy of the Final Fee Application in accordance with the Order of the Court dated June 21, 2000 establishing certain administrative procedures in the Debtors' cases, including procedures for interim compensation of professionals.

5. By this certification, Cronin & Vris does not waive or release any rights or entitlements it has under the Orders of this Court dated May 24, 2000 and July 18, 2000 approving the Debtors' retention of Cronin & Vris under section 328(a) of the Bankruptcy Code on an interim and final basis, respectively.

Dated: New York, New York

February 2, 2001

Denis F. Cronin

EXHIBIT C

CRONIN & VRIS, LLP
CONTIFINANCIAL CORPORATION
SUMMARY OF TIME CHARGES
(MAY 17, 2000 – DECEMBER 19, 2000)

<u>NAME</u>	<u>YEAR OF ADMISSION</u>	<u>Application Period Year</u>	<u>RATE*</u>	<u>HOURS</u>	<u>AMOUNT</u>
Denis F. Cronin	1973	May 17 – June 31, 2000	\$550	100.5	\$55,275
		July 1 – July 31, 2000	\$550	38.6	\$21,230
		August 1 – August 31, 2000	\$550	55.1	\$30,305
		September 1 – September 30	\$550	28.9	\$15,895
		October 1 – October 31	\$550	29.7	\$16,335
		November 1 – November 30	\$550	18.4	\$10,120
		December 1 – December 19	\$550	16.4	\$9,020
				(287.6)	(\$158,180)
Jane Lee Vris	1983	May 17 – June 31, 2000	\$400	81.8	\$32,720
		July 1 – July 31, 2000	\$400	33.5	\$13,400
		August 1 – August 31, 2000	\$400	19.8	\$7,920
		September 1 – September 30	\$400	23.5	\$9,400
		October 1 – October 31	\$400	14.5	\$5,800
		November 1 – November 30	\$400	1.5	\$600
		December 1 – December 19	\$400	7.3	\$2,920
				(181.9)	(\$72,760)
Total				469.5	\$230,940
Blended Hourly Rate					
\$491.88					

* All expenses included

EXHIBIT D

Cronin & Vris, LLP Project Billing Information
for the Period May 17, 2000 through December 19, 2000

Project	Total Time	Percentage of Total Time	Hours by Attorney	Compensation by Attorney	Total Compensation
Board of Directors	16.5	3.5%	16.5 (DFC)	\$9,075 (DFC)	\$9,075
Sale of Assets	63.7	13.6%	62.9 (DFC) .8 (JLV)	\$34,595 (DFC) \$320 (JLV)	\$34,915
Employee Matters	11.0	2.3%	11.0 (DFC)	\$6,050 (DFC)	\$6,050
Empire	218.6	46.6%	44.9 (DFC) 173.7 (JLV)	\$24,695 (DFC) \$69,480 (JLV)	\$94,175
Plan & Disclosure Statement	64.0	13.6%	63.5 (DFC) .5 (JLV)	\$34,925 (DFC) \$200 (JLV)	\$35,125
Creditor Meetings & Negotiations	53.4	11.4%	53.2 (DFC) .2 (JLV)	\$29,260 (DFC) \$80 (JLV)	\$29,340
Fee & Retention Applications Statements/Hearings	22.4	4.8%	17.7 (DFC) 4.7 (JLV)	\$9,735 (DFC) \$1,880 (JLV)	\$11,615
General Case Administration	15.4	3.3%	14.6 (DFC) .8 (JLV)	\$8,030 (DFC) \$320 (JLV)	\$8,350
Post-confirmation Coordination	4.3	.9%	3.8 (DFC) .5 (JLV)	\$2,090 (DFC) \$200 (JLV)	\$2,290
Totals	469.3¹	100%			<u>\$230,935²</u>

¹ Minor discrepancies due to rounding 469.5

² Minor discrepancies due to rounding \$230,940

The detailed time records are available upon request.

If you wish to view them, please contact Denis F. Cronin, Esq. at (212) 692-0004

Certificate of Service

I, Julia Burr, do hereby certify that I caused a copy of the attached First Interim Application Of Cronin & Vris, LLP, Seeking Allowance Of Interim Compensation Under 11 U.S.C. §§ 330 AND 331 For The Period Beginning May 17, 2000 and Ending August 31, to be served on the people listed below by U. S. First Class Mail on the 2nd day of February, 2001:

Harold L. Kaplan, Esq.
Timothy R. Casey, Esq.
Gardner Carlton & Douglas
321 N. Clark Street, 34th Floor
Chicago, Illinois 60610

Mr. Josh Brain
Angelo, Gordon & Co.
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Douglas R. Davis, Esq.
Loren F. Levine, Esq.
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Mr. Gavin Wilkinson
Norwest Bank Minnesota, N.A.
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