

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

Chapter 11

FIRST MERCHANTS ACCEPTANCE  
CORPORATION,

Case No. 97-1500 (JJF)

Debtor.

**FINAL APPLICATION OF FAEGRE & BENSON LLP FOR FEES  
AND EXPENSES FOR SERVICES RENDERED AS CO-COUNSEL  
FOR THE OFFICIAL CREDITORS' COMMITTEE FOR  
THE PERIOD NOVEMBER 1, 1997 THROUGH MARCH 16, 1998**

For its Final Application for Compensation and Reimbursement of Expenses  
(the "Application"), Faegre & Benson LLP ("Applicant"), co-counsel to the Official  
Creditors' Committee of First Merchants Acceptance Corporation (the "Committee"),  
respectfully represents as follows:

<b>Name of Applicant:</b>	Faegre & Benson LLP
<b>Authorized to Provide Professional Services to:</b>	Official Creditors' Committee of First Merchants Acceptance Corporation
<b>Date of Retention:</b>	July 28, 1997
<b>Period for which compensation and reimbursement is sought:</b>	November 1, 1997 - March 16, 1998
<b>Amount of Compensation:</b>	\$125,083.25 <sup>totals</sup> \$ 245,488
<b>Amount of Expense Reimbursement requested:</b>	\$15,860.95 \$ 22,292.40
<b>This is an:</b>	Interim application _____ Final Application <u> X </u>

The total time expended for the preparation of this application is approximately  
8 hours. No compensation for preparing this application is being sought in this  
application.

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**Prior Applications:**

<u>Date Filed</u>	<u>Period Covered</u>	<u>Requested Fees, Expenses</u>	<u>Approved Fees, Expenses</u>
11/26/97	7/28/97-10/31/97	Expenses: \$120,404.75 Fees: \$6,431.46	Expenses: \$0.00 Fees: \$0.00

**Fees and Expenses paid by Debtor to Applicant to Date:** Fees: \$189,625  
 (pursuant to Court's Order under §§ 105(a) Expenses: \$ 19,509.53  
 and 331 of the Bankruptcy Code Establishing  
 Procedures for Interim Compensation and  
 Reimbursement of Expenses to Professionals and  
 Official Committee Members, entered on July 14, 1997).

Name of Professional Individual	Position with Applicant, number of years in position, relevant experience, year license obtained, area of expertise	Hourly billing rate (including changes)	Total billed hours	Total compensation
John K. Steffen	Partner (resume attached at Exhibit D)	\$290.00	.30	\$ 87.00
David R. Brennan	Partner (resume attached at Exhibit D)	\$290.00	1.00	\$ 290.00
W. Smith Sharpe, Jr.	Partner (resume attached at Exhibit D)	\$290.00	4.50	\$ 1,305.00
Michael R. Stewart	Partner (resume attached at Exhibit D)	\$280.00	59.70	\$ 16,716.00
John B. Gordon	Partner (resume attached at Exhibit D)	\$270.00	2.20	\$ 594.00
Peter Withoff	Partner (resume attached at Exhibit D)	\$260.00	39.25	\$ 10,205.00
Gordon B. Conn	Partner (resume attached at Exhibit D)	\$250.00	14.40	\$ 3,600.00
Douglas P. Long	Partner (resume attached at Exhibit D)	\$230.00	1.50	\$ 345.00
Diana Y. Morrissey	Partner (resume attached at Exhibit D)	\$230.00	.70	\$ 154.00
Stephen M. Mertz	Partner (resume attached at Exhibit D)	\$195.00	349.70	\$ 68,191.50
Sonia A. Shewchuk	Partner (resume attached at Exhibit D)	\$190.00	35.60	\$ 6,764.00
Charles F. Weber	Partner (resume attached at Exhibit D)	\$190.00	5.60	\$ 1,064.00
P. Graham Van Der Leeuw	Associate (resume attached at Exhibit D)	\$180.00	45.60	\$ 8,208.00

Jerome T. Will	Associate (resume attached at Exhibit D)	\$180.00	.25	\$ 45.00
Kathleen S. Ruhland	Associate (resume attached at Exhibit D)	\$155.00	6.80	\$ 1,054.00
John M. Christenson	Associate (resume attached at Exhibit D)	\$140.00	15.95	\$ 2,233.00
Erik A. Lindseth	Associate (resume attached at Exhibit D)	\$140.00	10.00	\$ 1,400.00
Andrew T. Vedder	Associate; one year, 1997; Banking/ Commercial	\$110.00	24.90	\$ 2,739.00
Amy M. Greene	Paralegal; Eight Years; 1988 Corporate/Finance	\$ 95.00	.75	\$ 71.25
Susan M. Rafter	Law Librarian; Nine Years; 1987	\$ 70.00	.25	\$ 17.50
				Grand Total: \$125,083.25
Blended Rate: \$202.09				

**A. BACKGROUND**

1. First Merchants Acceptance Corporation (the “Debtor”) filed a voluntary petition under Chapter 11 of the Bankruptcy Code on or about July 11, 1997.

2. On or about July 28, 1997, the United States Trustee appointed the Committee under §1102 of the Bankruptcy Code. On July 28, 1997, the Committee retained Applicant as its co-counsel.

3. Pursuant to an Order entered on September 30, 1997, the employment of Applicant as co-counsel to the Committee was authorized effective as of July 28, 1997. A copy of the Order is attached hereto as Exhibit “A”.

4. This Application is submitted pursuant to 11 U.S.C. § 331, Fed. R. Bankr. P. 2016 and General Order #32 Revising and Rescinding Order #27, dated December 12, 1996 (“Order #32”). The Applicant has reviewed the requirements of Order #32 and the Applicant has, to the maximum extent possible, completed this Application in compliance with the requirements of Order #32.

5. By this Application, Applicant seeks approval and allowance of fees and reimbursement of expenses incurred for services rendered to the Committee in connection with this bankruptcy case for the period of November 1, 1997 through March 16, 1998 (the "Final Period"). Total hours billed for the Final Period were 618.95.

6. Applicant maintains contemporaneous records of the time expended for professional services, and expenses related thereto, performed in connection with this Chapter 11 case, and such records are maintained in the ordinary course of its business. These records provide a detailed description of the services rendered and expenses incurred during the Final Period for which this Application is being made, as required under Sections IV and V of Order #32. Applicant's records relating to services provided during the Final Period are attached hereto as Exhibit B. Applicant's records relating to expenses incurred during the Final Period are attached hereto as Exhibit "C".

**B. DESCRIPTION OF SERVICES AND EXPENSES  
AND RELIEF REQUESTED**

7. Applicant's services on behalf of the Committee are described in detail in Exhibit "B". The following is a brief description of the work performed by Applicant on behalf of the Committee:

(a) **Miscellaneous:** Review various pleadings and correspondence relating to status of case; Various telephone calls regarding status of case; Undertook various other case monitoring activities including ongoing docket review and review of miscellaneous pleadings and orders.

7.00 hours; \$1,533.00.

(b) **DIP Financing:** Review pleadings regarding approval of DIP financing; Review and revise stipulations regarding DIP financing; Telephone conferences and draft correspondence relating to DIP financing proposals.

1.30 hours; \$253.00.

(c) **Committee Meetings, Communications & Liasons**: Preparation for and participation in Committee meetings; Conferences and telephone calls with Committee members; Draft correspondence regarding committee meetings.

21.40 hours; \$4,190.00.

(d) **Non-Working Travel Time**: Travel to and from Chicago for plan negotiating and drafting meetings with UDC and Debtor. Travel to and from Wilmington, DE for hearings on disclosure statement and plan confirmation.

11.70 hours; \$2,575.00.

(e) **Lift Stay Motions**: Review pleadings on stipulation and order modifying the automatic stay.

.10 hours; \$19.50.

(f) **Plan of Reorganization and Disclosure Statement**: Participate in various meetings and negotiations with the Committee, Debtor, UDC, and others regarding the terms of plan of reorganization; Review, draft and negotiate various correspondence, agreements and motions relating to the same; Participate in numerous telephone conferences relating to the same; Draft and revise provisions of Plan and Plan related documents; Research and analyze issues relating to the same including various tax and securities issues relating to terms of Plan; Draft, review and analyze issues relating to Disclosure Statement and related documents; Review and analyze issues relating to Motion to Approve Plan and Disclosure Statement and objections to same; Prepare, attend and participate in hearings on Disclosure Statement and Plan confirmation

504.80 hours; \$102,978.25

(g) **Fee Applications**: Review requests for interim payments of fees and expenses filed by various professionals retained by the Debtor and the Committee; Review correspondence and participate in telephone conferences regarding fee issues. Prepare Applicant's request for interim payment of fees and expenses.

12.40 hours; \$1,917.50.

(h) **Employment of Professionals**: Review and/or draft pleadings and correspondence regarding continued retention of Applicant as co-counsel for the Committee; review pleadings and correspondence regarding Debtor's retention of professionals.

2.10 hours; \$409.50.

(i) **Executory Contracts**: Review various pleadings, correspondence regarding assumption/rejection of executory contracts issues, and settlements of disputes regarding same; Telephone conferences regarding executory contract issues.

3.90 hours; \$760.50.

(j) **Sale/Disposal of Assets**: Review and draft correspondence and pleadings regarding proposals for sales of various assets of the Debtor; Draft various documents relating to sales of assets; Negotiate with various parties over terms of sales of assets.

16.40 hours; \$3,862.00.

(k) **Investigation of Financial Affairs**: Obtain and review financial information regarding Debtor.

.80 hours; \$156.50.

(l) **Affiliates**: Review motions regarding First Merchants Residential Credit Corporation; Telephone calls and correspondence regarding tax issues and FMARC and FMARC II.

.40 hours; 78.00.

(m) **Securitization Issues**: Review securitization documents; Review motions and correspondence regarding same; Analyze issues regarding same; Various telephone conferences regarding same.

4.10 hours; \$842.00.

(n) **General Litigation**: Analyze and research Debtor's potential claims under D&O insurance policies; Analyze and research issues relating to D&O insurance implications of release provisions in Debtor's Plan; Draft correspondence, telephone conferences regarding D&O liability issues and release provisions in Debtor's Plan; Telephone conferences regarding settlement offers and various issues relating to class action lawsuit.

27.95 hours; \$5,046.00

(o) **Claims Objections**: Review pleadings and analyze issues relating to objections to claims, including class proof of claim; analyze and research issues relating to objection to class proof of claim.

3.40 hours; \$580.50

(p) **Bank Group**: Review pleadings and correspondence relating to bank group claims; Telephone calls and draft correspondence regarding UDC's obligations to bank group.

1.10 hours; \$214.50.

(q) **Greenwich Capital Financial Products, Inc.**: Review stipulation regarding bank group and Greenwich Capital claims.

.10 hours; \$19.50

8. The out-of-pocket expenses incurred by Applicant during the Final Period included, but were not limited to, airline tickets, long distance telephone calls, overnight delivery, facsimiles, postage, photocopying and computer assisted legal research, all of which Applicant normally bills to its non-bankruptcy clients. The rate Applicant has charged for photocopying is \$.15 per page and out-going facsimile transmission charges are \$.25 per page. A cost summary report summarizing the out-of-pocket expenses incurred by Applicant along with an itemized list of each disbursement is included in Exhibit "C" attached hereto.

9. Applicant believes that the services rendered during the Final Period on behalf of the Committee were actual, reasonable and necessary, and Applicant requests the allowance of fees in the total amount of \$125,083.25. The blended hourly rate for all services rendered by Applicant during the Final Period is \$202.09.

10. Applicant further requests reimbursement of costs expended on behalf of the Committee during the Final Period in the total amount of \$15,860.96.

11. The professional services rendered by Applicant on behalf of the Committee were led by Michael R. Stewart and Stephen M. Mertz, who drew on the services of other partners and associates in order to benefit from their specialized knowledge in

specific areas of law, and for conducting the necessary research, analysis and preparation of memoranda commensurate with their background and skills. Biographical sketches reflecting the professional backgrounds of partners and associates who rendered the services described in this Application are attached hereto as Exhibit "D".

12. On its chronological time records, Applicant has some entries which represent instances in which an award is sought for the services of more than one attorney. These entries do not represent duplication of effort. Many of the services performed by Applicant required the delegation of responsibility. Therefore it was necessary to have some inter-office conferences and strategy sessions which are identified in the attached time records. As a result of applicant's policy of assigning work to the lawyer who has the experience to perform the services required at lower billing rates, work of the highest quality at the most reasonable cost to the estate has been provided.

13. Applicant states that no agreement or understanding exists between it and any other person for the sharing of any compensation received for services rendered in or in connection with this case other than agreements or understandings relating to the division of compensation among the partners and associates of Applicant.

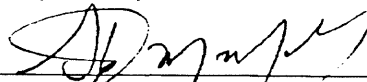


WHEREFORE,

Applicant prays that it be awarded (i) fees for the Final Period in the amount of \$125,083.25, and (ii) reimbursement for out-of-pocket expenses and disbursements for the Final Period in the amount of \$15,860.96.

April 29, 1998

Respectfully submitted,



Michael R. Stewart (#122397)

Stephen M. Mertz (#212131)

John M. Christenson (#257187)

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