

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re : Chapter 11
: :
FRUIT OF THE LOOM, INC., et al., : Case No. 99-4497 (PJW)
: (Jointly Administered)
Debtors. :
: **Objection Deadline: 7/22/02 at 4:00 p.m.**
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NOTICE OF APPLICATION

TO: U.S. Trustee, counsel to the Debtors, and counsel to Debtor's primary post-petition secured lenders.

Chanin Capital Partners, LLC, Financial Advisor to Official Committee of Unsecured Creditors, (hereinafter referred to as "Applicant") has filed its **Twelfth Interim and Final Application for Interim Compensation and Reimbursement of Costs Incurred for the Period March 1, 2002 Through April 30, 2002** (the "Application").

You are required to file a response to the attached Application on or before July 22, 2002 at 4:00 p.m Eastern Standard Time.

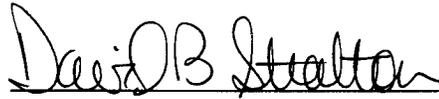
At the same time, you must also serve a copy of the response upon counsel to the Official Committee of Unsecured Creditors:

PEPPER HAMILTON LLP	OTTERBOURG STEINDLER HOUSTON & ROSEN
David B. Stratton, Esq.	PA
1201 Market Street, Suite 1600	Scott L. Hazan, Esq.
P.O. Box 1709	230 Park Avenue
Wilmington, Delaware 19899-1709	New York, New York 10169-0075

A HEARING ON THE APPLICATION WILL BE SCHEDULED at the Court's convenience before the Honorable Peter J. Walsh, United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801 if objections are filed and served in accordance with this notice.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF DEMANDED IN THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: July 1, 2002

A handwritten signature in black ink that reads "David B. Stratton". The signature is written in a cursive style and is positioned above a horizontal line.

David B. Stratton (Bar No. 960)
Aaron A. Garber (Bar No. 3837)
PEPPER HAMILTON LLP
1201 Market Street, Suite 1600
P.O. Box 1709
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(302) 777-6500

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In Re: FRUIT OF THE LOOM, INC. et al.

Chapter 11

Debtors

Case No: 99-4497 (PJW)

**FINAL FEE APPLICATION OF CHANIN CAPITAL PARTNERS, LLC
FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FROM JULY 13, 2000 THROUGH APRIL 30, 2002**

Name of Applicant: Chanin Capital Partners

Authorized to Provide Professional Services to: Official Committee of Unsecured Creditors

Date of Retention: July 13, 2000

Period for which compensation and reimbursement is sought: July 13, 2000- April 30, 2002

Amount of Compensation sought as actual, reasonable and necessary: \$ 3,241,935.48

Amount of Expense Reimbursement sought as actual, reasonable and necessary: \$ 41,569.72

This is an: interim final application

The total time expended for fee application preparation is approximately N/A hours and the corresponding compensation requested is approximately N/A.

If this is not the first application filed, disclose the following for each prior application:

Date Filed	Period Covered	Requested		Approved	
		Fees	Expenses	Fees	Expenses
04/18/02	01/01/02-02/28/02	\$300,000.00	\$2,460.07	Pending	Pending
01/07/02	12/01/01-12/31/01	\$150,000.00	\$791.35	Pending	Pending
12/07/01	11/01/01-11/30/01	\$150,000.00	\$2,882.89	Pending	Pending
11/05/01	09/01/01-10/31/01	\$300,000.00	\$696.64	Pending	Pending

		Requested		Approved	
Date Filed	Period Covered	Fees	Expenses	Fees	Expenses
09/21/01	07/01/01-08/31/01	\$300,000.00	\$2,352.08	Pending	Pending
08/02/01	05/01/01-06/30/01	\$300,000.00	\$8,198.16	Pending	Pending
06/05/01	03/01/01-04/30/01	\$300,000.00	\$4,260.02	\$300,000.00	\$4,260.02
03/22/01	01/01/01-02/28/01	\$300,000.00	\$2,951.97	\$300,000.00	\$2,951.97
01/31/01	12/01/00-12/31/00	\$150,000.00	\$5,862.89	\$150,000.00	\$5,862.89
12/26/00	10/01/00-11/30/00	\$300,000.00	\$9,345.76	\$300,000.00	\$9,345.76
10/30/00	07/13/00-09/30/00	\$391,935.48	\$632.85	\$391,935.48	\$632.85

**ATTACHMENT B
TO FEE APPLICATION
(Fruit of the Loom-Final)**

Name of Professional Person	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
Steven Strom	Managing Director, 4 years at current position, 11 years prior relevant experience, and areas of expertise include: financial restructuring, M&A, securities trading, and valuations.	N/A	N/A	N/A
Brendan O'Leary	Vice President, 1 year at current position, 6 years prior relevant experience, and areas of expertise include: restructuring, valuations, and distressed securities.	N/A	N/A	N/A
Matthew Yu	Associate, prior to joining Chanin in February 2001, Mr. Yu was an associate at Pacific Alliance Ltd. Prior to Pacific Alliance, Mr. Yu worked as a research analyst at Donaldson, Lufkin & Jenrette's leveraged finance group in both New York and London. His areas of expertise are valuation and securities analysis.	N/A	N/A	N/A
Chris Abad	Analyst, 1 year at current position, 2 years prior relevant experience, and areas of expertise include: securities analysis and valuations.	N/A	N/A	N/A
Neil Grosshandler	Intern, 1 year at current position.	N/A	N/A	N/A
Grand Total: N/A				
Blended Rate: N/A				

COMPENSATION BY PROJECT CATEGORY
(Fruit of the Loom-Final)

Project Category (Examples)	Total Hours	Total Fees
Asset Analysis & Recovery	N/A	N/A
Asset Disposition	N/A	N/A
Business Operations	N/A	N/A
Case Administration	N/A	N/A
Claims Administration and Objections	N/A	N/A
Employee Benefits/Pensions	N/A	N/A
Fee/Employment Applications	N/A	N/A
Fee/Employment Objections	N/A	N/A
Financing	N/A	N/A
Litigation	N/A	N/A
Plan and Disclosure Statement	N/A	N/A
Relief from Stay Proceedings	N/A	N/A
Tax Issues	N/A	N/A
Valuation	N/A	N/A
Other (Explain)	N/A	N/A

EXPENSE SUMMARY
(Fruit of the Loom-Final)

Expense Category (Examples)	Service Provider (if applicable)	Total Expenses
Airfare		\$12,118.00
Hotel		1,485.00
Copies (with rates)		\$0.15/per page x 26,874 = 4,031.10 \$0.25/per page x 912 = 228.00
Facsimile (with rates)		\$0.50/per page x 860 = 430.00
Long Distance Telephone		2,455.25
Parking/Transportation		2,461.94
Meals		6,014.56
Outside Reproduction		
Research		7,911.09
Courier & Express Carriers (e.g. Federal Express)		911.74
Postage		
Professional Services		3,217.54
Subscriptions/Library		300.00
Other (Explain)		5.50
TOTAL		\$41,569.72

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

IN RE:)	
)	CHAPTER 11
FRUIT OF THE LOOM, INC. et al.)	Case No. 99-4497 (PJW)
)	Jointly Administered
Debtors.)	

**FINAL APPLICATION OF CHANIN CAPITAL PARTNERS LLC,
FINANCIAL ADVISOR FOR THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS, FOR ALLOWANCE OF
COMPENSATION AND FOR THE REIMBURSEMENT OF
EXPENSES FOR SERVICES RENDERED DURING THE PERIOD
FROM JULY 13, 2000 THROUGH APRIL 30, 2002**

Chanin Capital Partners (“Chanin” or “Applicant”), financial advisor to the Official Committee of Unsecured Creditors (the “Committee”) of Fruit of the Loom, Inc. and its affiliated debtors and debtors-in-possession in the above-captioned case, (collectively, “Fruit of the Loom” or the “Debtors”), hereby submits its final application (“Application”) to this Court pursuant to 11 U.S.C. §§ 330 and 331, Rule 2016 of the Federal Rules of Bankruptcy Procedure, Order No. 32 of the Local Rules of Bankruptcy Procedure (“Local Order No. 32”) and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 effective January 30, 1996 (the “U.S. “Trustee Guidelines”), for allowance of compensation for services rendered and for reimbursement of expenses incurred in connection therewith, respectfully represents:

I. INTRODUCTION

1. By this application, Chanin seeks
 - (i) final allowance of fees and expenses in the aggregate amount of \$392,568.33 for the period of July 13, 2000 through September 30, 2000 (the “First Fee Application”), which compensation was awarded to Chanin pursuant to an order of this Court dated September 19, 2001;
 - (ii) final allowance of fees and expenses in the aggregate amount of \$309,354.76 for the period of October 1, 2000 through November 30, 2000 (the “Second Fee Application”), which compensation was awarded to Chanin pursuant to an order of this Court dated September 19, 2001;
 - (iii) final allowance of fees and expenses in the aggregate amount of \$155,862.89 for the period of December 1, 2000 through December 31, 2000 (the “Third Fee Application”), which compensation was awarded to Chanin pursuant to an order of this Court dated September 19, 2001;
 - (iv) final allowance of fees and expenses in the aggregate amount of \$302,951.97 for the period of January 1, 2001 through February 28, 2001 (the “Fourth Fee Application”), which compensation was awarded to Chanin pursuant to an order of this Court dated September 19, 2001;
 - (v) final allowance of fees and expenses in the aggregate amount of \$304,260.02 for the period of March 1, 2001 through April 30, 2001 (the “Fifth Fee Application”), which compensation was awarded to Chanin pursuant to an order of this Court dated September 19, 2001;

- (vi) final allowance of fees and expenses in the aggregate amount of \$308,198.16 for the period of May 1, 2001 through June 30, 2001 (the “Sixth Fee Application”), for which an order has not yet been entered by this Court;
- (vii) final allowance of fees and expenses in the aggregate amount of \$302,352.08 for the period of July 1, 2001 through August 31, 2001 (the “Seventh Fee Application”), for which an order has not yet been entered by this Court;
- (viii) final allowance of fees and expenses in the aggregate amount of \$300,696.64 for the period of September 1, 2001 through October 31, 2001 (the “Eighth Fee Application”), for which an order has not yet been entered by this Court;
- (ix) final allowance of fees and expenses in the aggregate amount of \$152,882.89 for the period of November 1, 2001 through November 30, 2001 (the “Ninth Fee Application”), for which an order has not yet been entered by this Court;
- (x) final allowance of fees and expenses in the aggregate amount of \$150,791.35 for the period of December 1, 2001 through December 31, 2001 (the “Tenth Fee Application”), for which an order has not yet been entered by this Court;
- (xi) final allowance of fees and expenses in the aggregate amount of \$302,460.07 for the period of January 1, 2002 through February 28, 2002 (the “Eleventh Fee Application”), for which an order has not yet been entered by this Court;
- (xii) final allowance of fees and expenses in the aggregate amount of \$301,126.04 for the period of March 1, 2002 through April 30, 2002, which were previously unbilled and are being submitted as part of this application.

2. Venue of this proceeding and this application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are 11 U.S.C. §§ 330 and 331 and Federal Rules of Bankruptcy Procedure 2002(a) and 2016.

II. BACKGROUND

3. Bankruptcy Filing. On December 29, 1999 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the United States Code, 11 U.S.C. §§ 101-1330 (as amended, the “Bankruptcy Code”).

4. The Debtors remain in possession of their respective properties and are operating and managing their businesses as debtors-in-possession pursuant to Bankruptcy Code Sections 1107(a) and 1108.

5. Creditors’ Committee. On January 10, 2000, the United States Trustee appointed the seven members of the Committee pursuant to §1102 (a)(1) of the Bankruptcy Code. As of the date hereof, the Committee consists of the following members: Calcot Ltd., State Street Bank, Teachers Insurance and Annuity Association College Retirement Equities Fund, Staple Cotton Co-Op, Worldtex, Inc., NHL Enterprises, L.P., and Louisiana Class Action Plaintiffs.

6. Retention of Chanin. On July 13, 2000, the Committee selected Chanin as its financial advisor during the pendency of Fruit of the Loom’s chapter 11 cases. Chanin was retained as financial advisor to the Committee, nunc pro tunc, effective July 13, 2000, pursuant to an order of this Court dated September 7, 2000 (“Retention Order” - Exhibit A). Pursuant to Chanin’s Retention Order, Chanin is to be compensated for its services in accordance with the terms and conditions contained in the Engagement Letter (“Engagement Letter” - Exhibit B). Pursuant to the Engagement Letter, Chanin’s financial advisory fee is \$150,000 per month (the

“Monthly Advisory Fee”) commencing on July 13, 2000. Additionally, the Debtor shall reimburse Chanin for all reasonable out-of-pocket expenses incurred in connection with its engagement by the Committee, including, without limitation, fees and disbursements, coach class travel and lodging expenses, data processing, reproduction and communication charges, courier services and other actual and necessary out-of-pocket business expenses.

7. On April 19, 2002, this Court entered its Findings of Fact and Conclusions of Law Relating To, and Order Under 11 U.S.C. §§ 1129(a) and (b) Confirming, Third Amended Joint Plan of Reorganization (the “Plan”) of Fruit of the Loom, Inc., Et Al., Under Chapter 11 of the Bankruptcy Code.

8. On April 30, 2002, the Plan became effective and the Debtors emerged from bankruptcy.

9. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

10. Venue is proper pursuant to 28 U.S.C. § 1409.

11. Chanin seeks final allowance of \$3,241,935.48 in advisory fees and \$41,569.72 as reimbursement of expenses for the Compensation Period. Chanin has received payments totaling \$2,682,379.16 from the Debtors for services rendered during the Compensation Period, which leaves an outstanding balance in the amount of \$601,126.04, including (i) \$300,000 in holdbacks for the period May 1, 2001 to February 28, 2002 and (ii) \$301,126.04 in previously unbilled fees and expenses for the period March 1, 2002 to April 30, 2002, for which Chanin requests payment. A summary of fees and expenses is attached hereto as Exhibit “C”.

12. Other than the payments from the Debtors mentioned in this Application, the Applicant has received no payment and no promises for payment from any source for services

rendered in connection with these cases. There is no agreement or understanding between the Applicant and any other person (other than members of Chanin) for the sharing of compensation to be received for the services rendered in these cases.

III. ADVISORY ACTIVITY

13. The Engagement Letter outlined the specific services to be provided by Chanin. Such services include:

- A) Assist the Committee in developing, evaluating, structuring and negotiating the terms and conditions of all potential plans of reorganization;
- B) Estimate the value of the securities, if any, that may be issued to unsecured creditors under any such plan;
- C) Provide expert testimony with regard to valuation and recoveries to unsecured creditors under any such plan;
- D) Analyze potential divestitures of the Company's operations;
- E) If requested, assist the Committee in developing alternative plans of reorganization, including contacting potential plan sponsors; and
- F) Provide the Committee with other and further financial advisory services with respect to the Company, including valuation, general restructuring and advice with respect to financial, business and economic issues, as may arise during the course of the restructuring as requested by the Committee.

14. The professionals of Chanin who have primarily rendered professional services on behalf of the Committee include: Steven R. Strom, Brendan O'Leary, Matthew Yu, Daniel Espinal, Christopher Abad, and Neil Grosshandler.

- A) Steven Strom was a Managing Director of Chanin. Prior to joining Chanin, Mr. Strom was a research analyst/trader at Commodities Corporation and Vice President in the mergers and acquisition group at Chemical Bank, respectively. His area of expertise is restructuring.
- B) Brendan O'Leary is a Vice President of Chanin. Mr. O'Leary joined Chanin in February 1997. Prior to joining Chanin, he was employed as a securities analyst at BDS Securities LLC, a broker dealer specializing in the securities of distressed companies. His areas of expertise are restructuring and the analysis of distressed securities.
- C) Matthew Yu is an Associate of Chanin Capital Partners. Prior to joining Chanin in February 2001, Mr. Yu was an associate at Pacific Alliance Ltd. Prior to Pacific Alliance, Mr. Yu worked as a research analyst at Donaldson, Lufkin & Jenrette's leveraged finance group in both New York and London. His areas of expertise are valuation and securities analysis.
- D) Daniel Espinal is a Senior Analyst of Chanin Capital Partners. Prior to joining Chanin in August 2001, Mr. Espinal was a research associate at C.E. Unterberg, Towbin. His areas of expertise are securities analysis and valuation. Mr. Espinal graduated from Harvard University in June 1999.
- E) Christopher Abad is a Senior Analyst of Chanin Capital Partners. His areas of expertise are securities analysis and valuation. Mr. Abad graduated from New York University in May 2000 and has been with the Company since May 1999.

- F) Neil Grosshandler is an Analyst at Chanin Capital Partners. He has been with the Company since June 2000. His areas of expertise are valuation and securities analysis.

IV. APPLICATION

15. By this Application, Chanin is seeking (a) final approval and payment of reasonable compensation for actual and necessary professional services rendered by Chanin, as financial advisor for the Committee, during the Compensation Period, i.e., the period from July 13, 2000 through April 30, 2002 and (b) final approval of reimbursement of actual, reasonable and necessary expenses incurred by Chanin in connection with such services during the Compensation Period.

16. Chanin seeks final allowance of the sum of \$3,241,935.48 for actual, reasonable and necessary professional services rendered on behalf of the Committee during the Compensation Period, and \$41,569.72 for reimbursement of actual, reasonable and necessary expenses incurred in connection with the rendition of such services.

17. Since July 13, 2000, Chanin has rendered professional services to the Committee as requested and as necessary and appropriate in furtherance of the interests of the Debtors' unsecured creditors. The variety and complexity of these cases and the need to act or respond on an expedited basis in furtherance of the Committee's needs have required the expenditure of substantial time by Chanin personnel.

18. The services rendered by Chanin for the period July 13, 2000 through February 28, 2002 are described in the eleven monthly fee applications that are on file with this Court and are incorporated herein by reference.

19. Chanin does not maintain, in the normal course of providing financial advisory services to its clients, detailed written time records. However, in this case, Chanin maintained written records of the time expended by Chanin professionals in the rendition of their professional services to the Committee. Such time records were made contemporaneously with the rendition of services by the person rendering such services and in the ordinary course of Chanin's practice, and are presented in a form which is in compliance with this Court's Order #32 Re: Contents of Application for Compensation and Expenses. A compilation showing the name of the professional, the date on which the services were performed, a description of the services rendered, and the amount of time spent in performing the services during the period from March 1, 2002 through April 30, 2002 is annexed hereto as Exhibit "D".

20. Chanin maintains records of all actual and necessary out-of-pocket expenses incurred in connection with the rendition of its professional services, all of which are also available for inspection. A schedule of the categories of expenses and amounts for which reimbursement is requested for the period from March 1, 2002 through April 30, 2002 is annexed hereto as Exhibit "E".

21. Chanin respectfully submits that the professional services that it rendered on behalf of the Committee were necessary and have directly contributed to the effective administration of these cases.

V. SUMMARY OF SERVICES RENDERED

22. The following summary of services rendered during the period from March 1, 2002 through April 30, 2002 is not intended to be a detailed description of the work performed, as those day-to-day services and the time expended in performing such services are fully set forth in Exhibit "D". Rather, it is merely an attempt to highlight certain of those areas in

which services were rendered to the Committee, as well as to identify some of the problems and issues that Chanin was required to address.

(i) Financial Analysis

23. Chanin reviewed and analyzed the changing cash flow forecasts provided by the Debtor vis-a-vis the Debtor's original projection and historical performance. In addition, Chanin discussed with the Debtor's advisors the factors that led to variance, if any. Chanin reviewed and analyzed the Debtor's interim operating reports, which included a summary of sources and uses of funds, balance sheet and income statement data. Chanin prepared summaries of the Company's operating performance for distribution to the Committee.

(ii) Review of Filings and Documents

24. During the Compensation Period, Chanin reviewed and analyzed the Debtors' SEC filings, news stories, industry articles and reports, and memos and presentations prepared by the Debtor, its advisors and other advisors in the case. This review and analysis was necessary in order for Chanin to remain informed and updated and to be in a position to advise the Committee regarding key case issues.

(iii) Claims Analysis

25. During the Compensation Period, Chanin reviewed and analyzed claims summaries prepared by the Debtor and its advisors. Chanin participated in several conference calls with Committee counsel and the Debtor's advisors to discuss the composition and likely range of claims amounts. Chanin presented its findings to the Committee.

(iv) Plan/Settlement Discussions

26. During the Compensation Period, Chanin along with Committee counsel, participated in numerous discussions, both in person, and telephonically, with the Debtor's

advisors and Secured Creditors' advisors regarding settlement issues and the potential distributions to unsecured creditors under the proposed plan.

(v) Plan of Reorganization and Disclosure Statement

27. Chanin reviewed and analyzed the various drafts of the Plan of Reorganization, Disclosure Statement and Exhibits (the "Plan Documents") as proposed by the Debtors. On behalf of the Committee, Chanin reviewed and analyzed the financial aspects of Plan Documents filed by the Debtor and discussed its analysis of the Plan Documents with Committee counsel and the Committee during the Compensation Period.

(vi) Recovery Analysis

28. During the Compensation Period, Chanin prepared an analysis of recoveries to unsecured creditors under the Debtor's proposed Plan. Chanin also prepared sensitivity analysis of certain key components of the recovery to establish the potential impact on recoveries to unsecured creditors. Chanin updated these analyses for subsequent revisions to the proposed recoveries under the plan. Chanin participated on several conference calls with Lazard regarding the potential ranges for sale proceeds, claims amounts, and the potential impact of working capital and other adjustments to the purchase price under the Debtor's proposed sale of its businesses. Chanin presented its findings to the Committee.

(vii) Fee Application Preparation

29. During the Compensation Period, Chanin compiled time and expense descriptions of the services it provided, and performed other tasks in order to comply with the Administrative Order. Chanin made every effort to minimize the amount of time and fees incurred for these activities.

(viii) Creditors' Committee Meetings

30. Chanin participated in several conference calls with the Committee during the period from March 1, 2002 through April 30, 2002. Prior to these meetings and calls with the Committee, Chanin prepared detailed analysis and supporting schedules to the Committee during this period discussing the status of ongoing financial matters of the Debtor.

31. Through these telephone conferences and correspondence, Chanin has assisted the Committee in fulfilling its statutory duties to make informed decisions regarding the various issues which have arisen in these cases, to monitor closely the Debtors' management of these proceedings, and to reach independent conclusions on the merits of specific matters, as well as matters regarding the plan of reorganization. Committee meetings were the most effective and efficient way of ensuring that all members of the Committee were kept informed of the events occurring in the Debtor's cases.

32. In addition to the assignments and tasks set forth above, at the request of the Committee, Chanin (i) participated in various conference calls and meetings with Committee members and other constituents, (ii) reviewed and analyzed certain other financial information (as requested by the Committee), and (iii) provided other financial analysis in assistance to the Committee counsel. All of Chanin's activities were conducted with the goal of producing efficient and effective services to the Committee and the Debtor's estate.

VI. ALLOWANCE OF COMPENSATION

33. The professional services rendered by Chanin required a high degree of professional competence and expertise so that the numerous issues requiring evaluation and determination by the Committee could be addressed with skill and dispatch and have, therefore, required the expenditure of substantial time and effort. It is respectfully submitted that the

services rendered to the Committee were performed efficiently, effectively and economically, and the results obtained to date have benefited not only the members of the Committee, but also the unsecured creditor body as a whole and the Debtors' estates.

34. The allowance of interim compensation for services rendered and reimbursement of expenses in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

Any professional person ... may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered ... as is provided under section 330 of this title.

11 U.S.C. § 331. Moreover, this Court has authorized the filing of this Application in the Administrative Fee Order.

With respect to the level of compensation, section 330(a)(1) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person:

reasonable compensation for actual, necessary services rendered ...

Section 330(a)(3)(A), in turn, provides that

In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the 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
- (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(a)(3)(A). The clear Congressional intent and policy expressed in this statute is to provide for adequate compensation in order to continue to attract qualified and competent bankruptcy practitioners to bankruptcy cases.

35. The total time spent by Chanin professionals during the period from March 1, 2002 through April 30, 2002 was 544.4 hours. The work involved, and thus the time expended, was carefully assigned in light of the experience and expertise required for a particular task.

36. As shown by this application and supporting documents, Applicant spent its time economically and without unnecessary duplication of time. Attached hereto as Exhibit "D" is a schedule of the hours expended by the professionals during the period from March 1, 2002 through April 30, 2002.

VII. EXPENSES

37. For the period from March 1, 2002 through April 30, 2002, Chanin incurred actual out-of-pocket expenses in connection with the rendition of the professional services to the Committee in the sum of \$1,126.04 for which Chanin respectfully requests reimbursement in full. A schedule of the categories of expenses and amounts for which reimbursement is requested for the period from March 1, 2002 through April 30, 2002 is annexed hereto as Exhibit "E".

38. The disbursements and expenses have been incurred in accordance with Chanin's normal practice of charging clients for expenses clearly related to and required by

particular matters. Chanin has endeavored to minimize these expenses to the fullest extent possible.

39. Chanin's billing rates do not include charges for photocopying, telephone and telecopier toll charges, computerized research, travel expenses, working meals, secretarial overtime, postage and certain other office services, since the needs of each client for such services differ. Chanin believes that it is fairest to charge each client only for the services actually used in performing services for it. In these proceedings, Chanin charges \$.15 per page for internal duplicating and \$.50 per page for outgoing facsimile transmissions. Chanin does not charge for incoming facsimile transmissions.

40. No agreement or understanding exists between Chanin and any other person for the sharing of any compensation to be received for professional services rendered or to be rendered in connection with these cases.

VIII. NOTICE

41. Notice of this Application has been given to (a) the United States Trustee, (b) the Debtors, (c) counsel for the Debtors, (d) counsel for the pre-petition lenders, and (e) counsel for the bondholders. Chanin submits that no further notice need be given in accordance with the Compensation Order.

IX. CONCLUSION

WHEREFORE, Chanin respectfully requests an Order granting:

- (i) Final allowance of advisory fees in the amount of \$3,241,935.48 for actual, reasonable and necessary professional services rendered during the period from July 13, 2000 through April 30, 2002;
- (ii) Final allowance of reimbursement of expenses in the amount of \$41,569.72; and
- (iii) Payment from the Debtors to Chanin of the outstanding amount due of \$601,126.04, which includes \$300,000 in holdbacks and \$301,126.04 in previously unbilled fees and expenses.

Dated: New York, New York
June 27, 2002

CHANIN CAPITAL PARTNERS LLC

By: _____



Brendan O'Leary
Vice President
330 Madison Avenue
New York, New York 10017
(212) 758-2629

Financial Advisor to the
Official Committee of Unsecured Creditors