

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

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In re: :
: **Chapter 11 Cases**
:
FRUIT OF THE LOOM, INC., et al., : **No. 99-04497 (PJW)**
:
: **Jointly Administered**
:
Debtors. :
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**FIRST AND FINAL FEE APPLICATION OF
INNISFREE M&A INCORPORATED VOTING AGENT TO THE
DEBTORS FOR COMPENSATION & REIMBURSEMENT OF EXPENSES**

Name of Applicant: Innisfree M&A Incorporated (“Innisfree”)

Authorized to Provide
Professional Services to: Fruit of the Loom, Inc., et al.

Date of Retention: December 5, 2001

Period for which Compensation and
Reimbursement is Sought: October 11, 2001 through and
including June 1, 2002

Amount of Compensation Sought as
Actual, Reasonable, and Necessary: \$184,741.05

Amount of Expense Reimbursement Sought
as Actual, Reasonable, and Necessary: \$115,156.76

Amount of Compensation Sought
For Fee Application Preparation: Innisfree is not charging the Debtors
for the preparation of this fee application.

This is Innisfree’s first and final fee application.

The fees and expenses set forth herein have not been billed to the Debtors, except for the prepayment of \$40,000 against postage expenses. Innisfree seeks payment pursuant to the Administrative Order entered in this case.

Fruit of the Loom, Inc., et al.
Summary of Innisfree M&A Incorporated Professional Fees
First and Final Fee Application –October 11, 2001through June 1, 2002

Name of Professional Person	Position	Department	Hourly Billing Rate	Total billed hours	Total Compensation
Jane Sullivan	Director of Bankruptcy Division	Bankruptcy	\$250.00	115.3	\$28,825.00
David Hartie	Account Executive Bankruptcy Division	Bankruptcy	\$210.00	83.5	\$17,535.00

Grand Total Hours: 198.80

Grand Total Hourly Fees: \$46,360.00

Blended Hourly Rate: \$233.20

Fruit of the Loom, Inc., et al.
Summary of Innisfree M&A Incorporated Professional Fees
First and Final Fee Application –October 11, 2001 through June 1, 2002

Fee Categories	Project Fee	Total Fees
<u>Project Fee</u> – Plan Solicitation	\$10,000 plus \$2,000 for each public debt or equity securities entitled to vote or \$1,500 for those receiving notice but not entitled to vote.	\$19,500.00
<u>Solicitation Mailing – Plan vote</u> 7,619 packages to registered holders and creditors - matched mailing.	Street Name Holders – Included in project fee above. Creditor & Record Holders – \$2.25 per package.	\$17,142.75
<u>Solicitation Mailing – Non-Voting Documents</u> 4,655 pieces to registered holders and creditors.	Street Name Holders – Included in project fee above. Creditor & Record Holders – \$0.65 per package	\$3,025.75
<u>Supplemental Mailing - Saturday mailing.</u> Street file, plus 6,684 packages to registered holders and creditors	Street Name Holders – \$6,500 Creditor & Record Holders – \$1.00 per package	\$13,184.00
<u>Notice Mailing – Notice of Disclosure Statement</u> Hearing. Street file, plus 2,525 pieces to registered holders and creditors	Street Name Holders – \$4,000 Creditor & Record Holders – \$0.65 per package	\$5,641.25
<u>Notice Mailing – Confirmation Notice.</u> Street file, plus 12,121 pieces to registered holders and creditors.	Street Name Holders – \$4,000 Creditor & Record Holders – \$0.65 per package	\$11,878.65
<u>Notice Mailing – Notice of Effective Date.</u> Street file, plus 12,121 pieces to registered holders and creditors.	Street Name Holders – \$4,000 Creditor & Record Holders – \$0.65 per package	\$11,878.65
<u>Telephone Calls from Creditors and Security Holders</u> 1,780 calls at \$7.50 each (includes toll charges).	\$7.50 per call to a creditor or security holder (with a minimum charge of \$3,750 for up to 500 calls)	\$13,350.00
<u>Bondholder Identification</u> Four issues at \$5,000 each.	\$5,000 for each of four issues of bonds	\$20,000.00
<u>Ballot Tabulation</u> 11 elements; 117.8 hours at 100 per hour.	\$100 per hour plus set up charge of \$1,000 per each tabulation element (e.g., each security or class)	\$22,780.00
<u>Consulting Hours – Jane Sullivan</u> (Includes travel) <u>115.3 HOURS</u>	@ \$250 per hour	\$28,825.00
<u>Consulting Hours – David Hartie</u> <u>83.5 HOURS</u>	@ \$210 per hour	\$17,535.00

TOTAL FEES = \$184,741.05

Fruit of the Loom, Inc., et al.
Summary of Innisfree M&A Incorporated Expenses
First and Final Fee Application – October 11, 2001 through June 1, 2002

Expense Categories	Amount
Federal Express/Airborne	\$11,521.02
Messenger	\$372.12
Trucking	\$1,760.53
Postage	\$54,760.79
Data Processing Services	\$500.00
Photocopies (798 copies @ \$0.20 each)	\$159.60
Faxes (31 faxes @ \$1.00 each)	\$31.00
Printing/Folding Expenses of Ballots	\$44,447.14
Bank Lists	\$1,403.06
Travel	\$186.00
Business Wire (for blast fax)	\$15.50
Total Expenses	<u>\$115,156.76</u>

The overwhelming majority of Innisfree's expenses relate to the printing, mailing and delivery of materials to creditors and interest holders.

Innisfree completed numerous mailings on behalf of the debtors. In each case the materials were provided to registered holders of securities, creditors (except the first notice mailing, in which instance the mailing to creditors was completed by Donlin Recano, the claims agent) -- as well as to the beneficial owners of the Debtors' securities holding in Street name through banks and brokerage firms. Thus, in addition to the mailings sent directly to the almost 12,000 registered holders and creditors, materials needed to be forwarded by Innisfree to the banks and brokerage firms (or their agent) for mailing to the approximately 44,000 beneficial owners of public securities in Street name.

All distributions to banks and brokers were sent by truck (for local deliveries) or by overnight courier. Because of the volume of mailings -- as well as the sheer size of the disclosure statement, which was part of the voting mailing -- delivery and postage charges were significant. In this case, courier, trucking, and postage charges came to \$68,042.34, or 59.2% of the expenses incurred on behalf of the Debtors. The \$40,000 postage advance provided by the Debtors was applied to these charges.

In addition, Innisfree printed all notices forwarded to the creditors and security holders (other than the notices included in the voting and supplemental mailings); printed all envelopes for registered holders and creditors; and imprinted all ballots sent to creditors and registered security holders in voting classes. Printing charges totaled \$44,447.14, or 38.6% of the expenses incurred on behalf of the Debtors.

Other expenses total only \$2,481.28 -- or 2.2% of the total expenses incurred on behalf of the Debtors.

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: **Debtors.** : **Jointly Administered**
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**FIRST AND FINAL FEE APPLICATION OF
INNISFREE M&A INCORPORATED VOTING AGENT TO THE
DEBTORS FOR COMPENSATION & REIMBURSEMENT OF EXPENSES**

Pursuant to 11 U.S.C. §§ 330 and 331 and Rule 2016 of the Rules of Bankruptcy Procedure, Innisfree M&A Incorporated (“Innisfree” or “Applicant”) hereby moves this Honorable Court for an order awarding it (a) final allowance for reasonable compensation from the Estate of Fruit of the Loom, Inc., et al. (“FTL” or the “Debtors”) for the professional noticing, balloting, tabulating and consulting services Innisfree has rendered to FTL in the (i) total amount of \$184, 741.05 for the period commencing October 11, 2001 through and including June 1, 2002, during this First and Final Application Period, (the “Application Period”), (ii) together with reimbursement for actual and necessary expenses in the total amount of \$115,156.76 incurred during the Application Period ; (b) authorizing FTL to pay Innisfree \$259,897.81, for all fees in the amount of \$184, 741.05, and all expenses in the amount of \$75,156.76 (total expenses of \$115,156.76, less the amount of \$40,000 for postage charges advance previously paid by the Debtors), and allowing it as final; (c) allowing all expenses previously paid by FTL in the total

amount of \$40,000 as final. In support of its application (“Application”), Innisfree respectfully represents as follows:

Background

1. Innisfree served as noticing agent, balloting agent, tabulator, and consultant (“Voting Agent”) to the Debtors in connection with their Chapter 11 case pursuant to an Order entered by this Court on December 5, 2001 (the “Retention Order”), and attached hereto as Exhibit A. The Retention Order authorized Innisfree to be compensated as outlined in the Letter of Agreement attached as an exhibit to the Retention Application, and to be reimbursed for actual and necessary expenses incurred. This First and Final Fee Application contains descriptions of the tasks undertaken by Innisfree. All services for which compensation is requested by Innisfree were performed for, or on behalf of the Debtors, and not on behalf of any committee, creditor or other person.

2. At the time of its filing, Fruit of the Loom, Inc., et al., a public company, was among the world’s largest apparel manufacturers. FTL averaged approximately \$2.0 billion in annual sales during the two years preceding the December 29, 1999 bankruptcy petition.

3. In accordance with Rule 2016 of the Federal Rules of Bankruptcy Procedure, Innisfree hereby states that (i) all professional services for which compensation is requested by Innisfree were performed by Innisfree for or on behalf of the Debtors, (ii) no advances or payments have been heretofore made to Innisfree for services rendered in connection with these cases other than the advance payment of

\$40,000 for postage expenses, and (iii) Innisfree has not agreed to share with any other entity any compensation to be received by Innisfree in connection with these cases.

Services Rendered During the Application Period

4. Attached hereto as Exhibit B is a summary of the time spent and a detailed summary of the fees charged by each professional for FTL during the period covered by this Application. Daily time logs describing the time expended by each professional for the periods commencing October 11, 2001 through and including June 1, 2002 are included in Exhibit C. Brief biographical descriptions of the credentials and experience of each Innisfree professional who rendered consulting services to the Debtor is attached hereto as Exhibit D. Attached hereto as Exhibit F is a request for the court's Order of Approval of this First and Final Fee Application.

5. As Voting Agent, Innisfree provided services to the Debtors encompassing the following general areas of duty:

- (a) extensive advice and counsel to the Debtors and its legal counsel with respect to all aspects of the Third Amended Plan of Reorganization of Fruit of the Loom ("the Plan" or "Disclosure Statement"); the Plan vote, including the development of special voting procedures needed for the holders of the Debtors securities; the review and development of documents and drafts; and special contact with creditors, as well as with banks and brokerage firms holding the Debtors securities on behalf of beneficial owners;
- (b) distribution of all voting and non-voting documents relating to the Plan, to both the holders of the Debtors securities and to other creditors;
- (c) working with the Debtors and claims agent prior to all mailings to obtain appropriate records for all creditors, as well as all security holders;
- (d) the distribution of supplemental materials to the holders of the Debtors Class 2, 3, 4A, 4B and 5 Claims;

- (e) completion of three Notice mailings including: the mailing of the Disclosure Statement Hearing Notice to all security holders; the mailing of the Confirmation Notice to all security holders and other creditors; and the mailing of the Notice of Effective Date to all security holders and other creditors;
- (f) responding to telephone inquiries from creditors with regard to the balloting procedures and inquiries from non-voting parties, such as common stock holders; and
- (g) tabulating all ballots and master ballots in the voting classes received prior to the voting deadline; and preparing a voting certification for filing with the court.

6. As outlined in the Letter of Agreement, Innisfree was retained on the basis of flat fees for certain aspects of the case (or “project” in relation to “project fees”), set hourly charges for other aspects, and standard billing rates for any consulting time, as follows:

Project Fees: \$10,000 plus \$2,000 for each public debt or equity security entitled to vote on the Plan or \$1,500 for each public debt or equity security not entitled to vote on the Plan but entitled to receive notice. (This fee did apply to the preferred stock, which is held by one party.) This covered the coordination with all brokerage firms, banks, institutions and other interested parties, including the distribution of voting materials. This assumed one distribution of material was directed to the firms’ proxy departments, and no extensions of the voting deadline.

Voting Solicitation Mailing:

Street Name Holders: Included in the project fee above.

Creditors and Record Holders: \$1.75 per package.

Notice Mailings:

Street Name Holders: \$4,000

Creditors and
Record Holders: \$0.65 per piece.

Calls from Creditors
and Security Holders:

A minimum charge of \$3,750 to take up to 500 telephone calls from creditors and security holders within the solicitation period. If more than 500 calls were received within the period, those additional calls were charged at \$7.50 per call. Any calls to creditors or security holders were charged at \$7.50 per call.

Bondholder
Identification:

\$5,000 per issue of bonds.

Ballot tabulation:

\$100 per hour, plus set up charges of \$1,000 for each tabulation element (e.g., each security, or, in the case of other creditors, each class).

General consulting services:

Managing Director: \$325 per hour
Practice Director: \$250 per hour
Account Executive: \$210 per hour
Staff Assistant: \$150 per hour
Telephone Service
Representative : \$100 per hour

Out-of-pocket Expenses:

All out-of-pocket expenses relating to any work undertaken by Innisfree was charged separately, as outlined in the Letter of Agreement and included such items as travel costs, postage, messengers and couriers, etc., expenses incurred by Innisfree in obtaining or converting depository participant, creditor, shareholder and/or Non-objecting Beneficial Owners (“NOBO”) listings; and appropriate charges for supplies, in-house photocopying, telephone usage, etc. Innisfree was permitted to, and did request advance payment for significant out-of-pocket expense items, such as postage.

7. Project Fee. Innisfree's project fee for a single Plan solicitation mailing was the customary project fee of \$10,000 plus \$2,000 for each public debt or equity security entitled to vote, and a fee of \$1,500 for each public debt or equity security not entitled to vote on the Plan but entitled to receive notice. These fees cover all of Innisfree's work in connection with the distribution process for holders of securities in Street name, including contact with banks, brokerage firms, and agents; determining the number of beneficial owners of securities; distributing materials to the appropriate banks, brokers, and agents; conducting a separate distribution of master ballots to the appropriate parties; working through voting issues with regard to ballots and master ballots with the firms; and receiving the ballots and master ballots for tabulation. Innisfree is requesting compensation in the amount of \$19,500.00 for total project fees.

8. Solicitation Mailing. Innisfree is seeking fees in the total amount of \$17,142.75 for the mailing of 7,619 voting packages to creditors and record holders (at \$2.25 per package); and \$3,025.75 for the mailing of 4,655 non-voting packages to creditors and record holders in non-voting classes (at \$0.65 per package).

9. Notice Mailings – Street Name Holders. Innisfree completed 3 notice mailings on behalf of the Debtors. Pursuant to the Letter of Agreement, Innisfree seeks fees in the amount of \$4,000 for each notice mailing to the "Street", for a total of \$12,000.

10. Notice Mailings – Creditors and Record Holders. Innisfree charges a fee of \$0.65 per holder/creditor for the mailings to registered holders, creditors, and parties in interest. Innisfree is seeking fees for the following completed mailings: Disclosure Statement Hearing Notice (2,525 pieces for a total of \$5,641.25); Confirmation Notice

(12,121 pieces for a total of \$11,878.65); and Notice of Effective Date (12,121 pieces for a total of \$11,878.65) -- or a total of \$29,398.55

11. Supplemental Mailing. The mailing of supplemental Plan documents to holders of Class 2, 3, 4A, 4B and 5 Claims was charged at \$6,500 for Street name holders, and at \$1.00 per package for the 6,684 registered holders and creditors. Innisfree is seeking compensation for fees in the total amount of \$13,184.00 for the supplemental mailing.

12. Calls from Creditors. This covers the receipt of telephone calls from creditors and holders of notes with regard to the Plan documents and balloting procedures. Pursuant to the Letter of Agreement, Innisfree charged \$7.50 per call (with a minimum fee of \$3,750 for up to 500 calls). Innisfree received 1,780 calls, and is seeking a total of \$13,350.00, which includes all toll charges.

13. Bondholder Identification Program. Innisfree is seeking fees in the amount of \$5,000 per issue, of a total of \$20,000 for the four debt issues of Fruit of the Loom.

14. Ballot Tabulation. Included the set-up of eleven voting elements (at \$1,000.00 per element), plus 117.8 hours of ballot tabulation (at \$100.00 per hour). Innisfree is seeking fees of \$22,780.00 for ballot tabulation.

15. General Consulting Services: Innisfree billed at its standard hourly rates for any consulting hours. A breakdown of the number of hours and total fees charged in various categories of activities is included below:

Project Code	Description of General Consulting Activity Code	Total Hours	Total Fees
C	Consultation with the Debtors and its counsel: Consultation with the Debtors, their counsel, and other related parties, by telephone, email, or in person.	19.2	\$4,696
D&R	Drafting and Reviewing Documents: Document drafting or review.	36.3	\$8,943
S	Special activities relating to the "Street" and other creditors: Special interaction with banks and brokerage firms, and special creditor mailings and interaction.	37.9	\$8,691
P	Production issues: Tasks relating to the production and mailing of materials.	50.8	\$11,544
V	Voting issues: Activities relating to the voting and tabulation process.	48.6	\$10,986
T	Travel issues; including traveling to and attending, the Confirmation Hearing.	6	\$1,500
	Totals	198.8	\$46,360

16. C – Consultation with the Debtors and its counsel. Including consultation with the Debtors or their Attorneys Millbank, Tweed, Hadley & McCloy, LLP, Saul Ewing, LLP, and other parties, by telephone or in person. Subjects included special balloting procedures needed; discussions concerning the different documents involved in the solicitation effort; the status of the solicitation effort; special tabulation and voting issues; and the vote certification.

17. D&R – Drafting and reviewing documents. Including the review of documents generated by the Debtors or their counsel, such as the disclosure statement, ballots, orders, notices, non-voting documents, supplemental documents and other documents; as well as the drafting of documents by Innisfree for review by counsel, such

as certificates of service, distribution instruction letters, draft letters for use by the Debtors to request data, and the vote certification.

18. S – Special Activities relating to the “Street” and other creditors. Special activities relating to the banks and brokerage firms holding the Debtors securities, including numerous calls from banks and brokerage firms which required special handling, as well as special activities relating to creditors, such as the individual processing of 3018 motions.

19. P – Production issues. Including tasks relating to the production of materials, including coordination with the Debtors’ printer, the Debtors, and legal counsel for the debtors, regarding materials needed for the solicitation; as well as print production and delivery issues.

20. V – Voting issues. Activities relating to the voting process, such as sessions to train Innisfree’s telephone service team; oversight of the tabulation process, including cures; and the vote audit.

21. T – Travel. Time relating to Jane Sullivan’s attendance at the Confirmation Hearing.

22. Fee Application. Innisfree is not charging for the time incurred in preparing its fee application.

23. As noted earlier, Innisfree spent 117.8 hours tabulating ballots. The 117.8 tabulation hours and the 198.8 hours charged for the general consulting hours detailed above were the only fees charged by Innisfree on an hourly basis.

24. Innisfree has incurred expenses in the amount of \$115,156.76 for the period October 11, 2001, through and including June 1, 2002, and requests reimbursement thereof. A summary of expenses is attached hereto as Exhibit E. The expenses charged to the Debtors include, among other things, courier, trucking and messenger charges; postage; printing; travel expenses; and photocopying charges at 20¢ per page.

25 The total time spent by Innisfree from October 11, 2001 through and including June 1, 2002, on general consulting for the Debtors, was 198.8 hours, as enumerated above. The hours spent by Innisfree were charged at Innisfree's standard billing rates, and total \$46,360. As shown by this Application and the supporting documents, all of the time spent on general consulting services was necessary and appropriate for the services provided to the Debtors in this case. Innisfree has provided services of high quality while at the same time striving to work as efficiently as possible. Innisfree provided valuable advice to the Debtors and its counsel with regard to the solicitation and tailored its recommendations to the specifics of this case. The experience and expertise of Innisfree's professionals have facilitated and expedited the successful results achieved in the Plan solicitation without the extra time and expense, and the potential error, that could have otherwise resulted had a less experienced firm handled these matters. The professional who performed the majority of the general consulting services needed in this case was Jane Sullivan, a Director of Innisfree with over 17 years of proxy solicitation experience, who has specialized for over 10 years in bankruptcy solicitations involving publicly traded securities.

Compensation

26. FTL paid \$40,000 to Innisfree as advance payment for out-of-pocket expenses for postage charges as outlined in Innisfree's Letter of Agreement. Innisfree received no other payment for any incurred fees and expenses in its role as Voting Agent other than this advance payment for postage made by the Debtors.

27. Innisfree submits that its fees and expenses are reasonable in light of the magnitude, complexity, duration of this proceeding and the benefits provided to the Debtors. Innisfree's fee structure is designed to be fair to both the Debtors and to Innisfree. While it is possible to quantify the probable amount of work needed in certain

areas at the beginning of the case, certain other aspects vary widely from case to case. The set fees that Innisfree charges for the mailing to the Street, for example, covers the work performed by Innisfree's back office team in coordination with the banks and brokerage firms holding a client's securities, as well as the work undertaken by Innisfree's warehouse in the fulfillment of those requests. It also covers Innisfree's continued contact throughout the solicitation period. The fees for consulting hours cover any specific additional work required by the case, which cannot be quantified at the outset of the project.

28. All services for which compensation is requested by Innisfree were performed for, or on behalf of FTL, and not on behalf of any committee, creditor or other person.

29. There is no agreement or understanding between FTL and any other person, other than principals of Innisfree, for the sharing of compensation to be received for services rendered in this case.

WHEREFORE, INNISFREE respectfully requests (a) final allowance for reasonable compensation for actual and necessary costs and expenses incurred for the period October 11, 2001 through and including June 1, 2002, in the sum of \$115,156.76 (b) final allowance for compensation for professional services rendered to FTL in the amount of \$184,741.05 ; (c) allowing all expenses previously paid by the Debtor for advance postage costs in the total amount of \$40,000 as final ; and (d) authorizing the Debtor to pay Innisfree the total amount of \$259,897.81 not previously paid by the Debtor as final.

INNISFREE M&A INCORPORATED

Dated: June 28, 2002

By: /s/ Jane Sullivan

Jane Sullivan
501 Madison Avenue, 20th Floor
New York, NY 10022
(212) 750-5833

Voting Agent for the Debtor

VERIFICATION

Jane Sullivan, after being duly sworn according to law, deposes and says:

1. I am a Director of Innisfree M&A Incorporated (“Innisfree”), Bankruptcy Specialty Practice. I have provided advice and assistance in over 55 bankruptcy cases.
2. I have personally performed many of the services rendered by Innisfree M&A Incorporated as noticing agent, balloting agent, tabulator, and consultant to the Debtors-in-possession in this case and am familiar with all other work performed for FTL by the professionals in Innisfree.
3. The facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief.
4. To the best of my knowledge, information and belief, Innisfree has not represented any entity having an adverse interest in the matters in which the Debtors retained Innisfree during the pendency of this case.

/s/ Jane Sullivan
Jane Sullivan

Sworn to and subscribed before me

this 28th day of June, 2002.

/s/ Lamara Belobritsky
Notary Public
My Commission Expires: July 3, 2002