

CAHILL GORDON & REINDEL  
(a partnership including a  
professional corporation)  
Special Litigation Counsel  
for Debtors  
80 Pine Street  
New York, New York 10005  
(212) 701-3000  
Howard G. Sloane (HS-0090)  
Leonard A. Spivak (LS-6632)

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x  
: In re: :  
: :  
: :  
: GOLDEN BOOKS FAMILY : (Chapter 11)  
: ENTERTAINMENT, INC., et al., :  
: : Case Nos. 99-10030 (TLB)  
: Debtors. : Through 99-10032 (TLB)  
: :  
: (Jointly Administered)  
: :  
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FINAL APPLICATION OF CAHILL GORDON & REINDEL,  
SPECIAL LITIGATION COUNSEL TO THE DEBTORS,  
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT  
OF EXPENSES

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Name of Applicant: Cahill Gordon & Reindel  
Role in the Case: Special Litigation Counsel to the Debtors  
Fees Previously Requested: N/A  
Fees Previously Awarded: N/A  
Expenses Previously Requested: N/A  
Expenses Previously Awarded: N/A  
Retainer Paid: Net \$1,977.47  
Final Application  
Period for which compensation and reimbursement is sought:  
February 26, 1999 through September 1, 1999  
Final Fee Requested (for entire case): \$355,311.60  
Expenses Requested (for entire case): \$24,840.35

**CAHILL GORDON & REINDEL**  
**February 26, 1999 - September 1, 1999**

<b>Name of Professional Individual</b>	<b>Position with CG&amp;R, no. of years in that position, relevant experience/ area of expertise</b>	<b>Hourly Billing Rate</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Howard G. Sloane, Partner	Joined firm as Associate in 1977; became Partner in 1984; Member, New York Bar since 1977; expertise in litigation, litigated numerous cases in state and federal court including claims similar to those at issue in these cases.	\$520.00	200.10	\$104,052.00
Leonard A. Spivak, Partner	Joined firm as an Associate in 1968; became Partner in 1975; Member of the New York Bar since 1967; expertise in securities and other commercial litigation, served as special litigation counsel to debtors and debtors in possession.	500.00	109.50	\$54,750.00
Roy L. Regozin, Partner	Joined firm as a Law Clerk in 1968, became an Associate in 1969, became Partner in 1976; Member of the New York Bar since 1969; prior experience as special litigation counsel to debtors and debtors in possession, expertise in securities and other commercial litigation.	488.00	271.40	\$132,443.20
Robert Usadi, Partner	Joined firm as Associate in 1965, became a partner in 1973, Member of the New York Bar since 1966, expertise in corporate and bankruptcy areas.	520.00	.20	\$104.00
Michael A. Becker, Partner	Joined the firm as Associate in 1980; Member of the New York Bar since 1981; became a partner in 1988; expertise in corporate area.	520.00	3.50	\$1,820.00

Name of Professional Individual	Position with CG&R, no. of years in that position, relevant experience/ area of expertise	Hourly Billing Rate	Total Hours Billed	Total Compensation
Tammy Harvey, Associate	Joined the firm in 1997 as Associate, member of New York Bar since 1998; expertise in general litigation.	228.00	121.10	\$27,610.80
Howard H. Rice III, Associate	Joined firm as Associate in 1997; became member of the New York Bar in 1998; expertise in general litigation matters.	228.00	7.10	\$1,618.80
Marc J. Korpus, Senior Attorney	Joined firm as law clerk in 1981; became Associate in 1982; became Senior Attorney in 1990; Member, New York Bar since 1985; 12 years experience specializing in bankruptcy matters	452.00	12.20	\$5,514.40
Agnelo Azulay, Paraprofessional	Director of Corporate Research, 19 years	260.00	.70	\$182.00
Eric Lipman, Summer Associate	Student at New York University School of Law; joined firm as summer associate during summer of 1998; at firm for 2-3 months	204.00	8.20	\$1,672.80
Viktor V. Pregel, Summer Associate	Student at New York University School of Law; joined firm as summer associate during summer of 1998; at firm for 2-3 months	204.00	65.90	\$13,443.60
Nicholas J. Marcantonio, Deputy Managing Attorney	Deputy Managing Attorney, 10 years	184.00	2.40	\$441.60
Michael Holmes, Paraprofessional	Paralegal, 17 years	168.00	25.20	\$4,233.60
Val Kleyman, Paraprofessional	Paralegal, 3 months	92.00	5.00	\$460.00
Abdul Ahmad, Paraprofessional	Paralegal, 22 years	100.00	14.00	\$1,400.00
Christine Westbrook, Paraprofessional	Paralegal, 8 months	96.00	18.10	\$1,737.60
Margaret Davenport, Head Librarian	Head Librarian, 17 years	108.00	1.20	\$129.60

<b>Name of Professional Individual</b>	<b>Position with CG&amp;R, no. of years in that position, relevant experience/ area of expertise</b>	<b>Hourly Billing Rate</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Mary Cahn, Reference Librarian	Reference Librarian	184.00	1.50	\$276.00
Que-Phuong Nguyen	Computer Service Librarian	168.00	.20	\$33.60
Proofreaders	Paraprofessionals	88.00	38.50	\$3,388.00
Grand Total			906.00	\$355,311.60
Blended Rate		\$392.18/hour		

Pursuant to 11 U.S.C. § 330 and Rule 2016 of the Federal Rules of Bankruptcy Procedure, the law firm of Cahill Gordon & Reindel ("CG&R") hereby moves this Court for a final order awarding its reasonable compensation with respect to the above-captioned debtors and debtors-in-possession (the "Debtors") for professional legal services rendered as special litigation counsel to the Debtors, together with reimbursement for actual and necessary expenses incurred, during the period from inception of these cases on February 26, 1999 through September 1, 1999, the date on which the Debtors' Amended Joint Plan of Reorganization was confirmed, subject to the entry of a final order. The total amount sought for professional legal services rendered is \$355,311.60, and the total amount sought for reimbursement of actual and necessary expenses is \$24,840.35. CG&R has not previously filed an application for fees or disbursements in these cases.

In support of this application CG&R respectfully represents as follows:

Background

1. On February 26, 1999, Golden Books Family Entertainment, Inc. ("GBFE") and two of its subsidiaries (collectively with GBFE the "Debtors") filed voluntary Chapter 11 petitions in this Court. The Debtors continued as debtors-in-possession under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").

2. Pursuant to an Order issued by this Court on May 10, 1999, the Debtors were authorized, pursuant to Section 327(e) of the Bankruptcy Code, nunc pro tunc to February 26, 1999, to retain and employ CG&R as special litigation counsel to represent and advise the Debtors and the individual defendants in consolidated securities actions pending in the United States District for the Southern District of New York captioned Lemmer v. Golden Books Family Entertainment Inc. and Green Fund v. Golden Books Family Entertainment Inc. (the "Securities Litigation") and matters related thereto. At the time bankruptcy proceedings were commenced in this Court, CG&R had prepared and served a motion to dismiss the complaint in the Securities Litigation, which included class action allegations. Upon information and belief, the Debtors regarded the Securi-

ties Litigation as a serious potential obstacle to a successful reorganization.

3. All services for which compensation is requested by CG&R were performed for or on behalf of Debtors and the present and former officers and directors of GBFE who were named as individual defendants in the Securities Litigation (the "Individual Defendants"). Each of the Individual Defendants has the right to be indemnified and receive advances on his defense costs, subject to the terms of the by-laws of GBFE and the Delaware General Corporation Law.

4. CG&R was retained to provide services at its customary hourly rates, subject to Section 330 of the Bankruptcy Code and approval of allowance of compensation and reimbursement of expenses by the Court. As set forth in the Affidavit of Howard G. Sloane, sworn to on March 4, 1999, and filed in connection with the application by the Debtors to retain CG&R as special litigation counsel, CG&R received a pre-petition advance payment from Debtors in prepayment of fees and expenses incurred in representation of the Debtors before their petitions were filed and, subject to further order of the Court, in prepayment of fees and expenses incurred in representation of the Debtors subsequent to the filing of these cases. Although CG&R expected to receive an advance payment of \$25,000.00, the amount received in excess of amounts then billed was \$13,103.62. \$11,126.15 of fees and expenses in-

curred in pre-petition representation of the Debtors has not been billed. Applying this amount against the \$13,103.62 results in the amount of \$1,977.47 being held by CG&R, to be applied against post-petition fees and expenses, as such payments are allowed by the Court.

5. No party or person other than the Debtors has agreed to compensate CG&R for its services as special litigation counsel, with the exception of the insurance carrier on Debtors' executive liability policy. Any amounts paid by the insurance carrier would either reduce the amount to be paid by the Debtors to CG&R, or would be used to reimburse the Debtors for any payment they made to CG&R.

6. The names, hourly rates and other data concerning CG&R professionals and paraprofessionals who provided services for which compensation is sought by this Application are set forth above. CG&R charged the same hourly rates to non-bankruptcy clients for similar services during the same period.

7. CG&R requests final allowance of compensation for services rendered and reimbursement of expenses incurred during the period from February 26, 1999 through September 1, 1999, and in support thereof:

(a) attached hereto at Tab 1 is a detailed statement of professional services rendered during the period from February 26, 1999 to March 31,

1999 showing the amount of \$43,518.40 as CG&R's allowable compensation for such services and \$1,667.21 in reimbursable expenses, after a downward adjustment of \$89.18 to the amount for Westlaw that inadvertently had not been made when the statement was circulated;

(b) attached hereto at Tab 2 is a detailed statement of professional services rendered for the month of April 1999 showing the amount of \$51,684.40 as CG&R's allowable compensation for such services and \$2,915.82 in reimbursable expenses, after a downward adjustment of \$79.78 to the amount for Westlaw that inadvertently had not been made when the statement was circulated;

(c) attached hereto at Tab 3 is a detailed statement of professional services rendered for the month of May 1999 showing the amount of \$86,076.00 as CG&R's allowable compensation for such services and \$7,062.55 in reimbursable expenses;

(d) attached hereto at Tab 4 is a detailed statement of professional services rendered for the month of June 1999 showing the amount of \$80,565.60 as CG&R's allowable compensation for



such services and \$3,384.03 in reimbursable expenses, after a downward adjustment of \$3.00 to the cost of an overtime meal so that it does not exceed \$20.00;

(e) attached hereto at Tab 5 is a detailed statement of professional services rendered for the month of July 1999 showing the amount of \$61,979.20 as CG&R's allowable compensation for such services and \$7,571.31 in reimbursable expenses, after a downward adjustment of \$9.28 to delete an expense mistakenly classified as an overtime meal; and

(f) attached hereto at Tab 6 is a detailed statement of professional services rendered during the period from August 1, 1999 through September 1, 1999 showing the amount of \$31,488.00 as CG&R's allowable compensation for such services and \$2,239.43 in reimbursable expenses.

SUMMARY OF SERVICES RENDERED

8. The principal legal services CG&R rendered to the Debtors involved work in support of the motion to dismiss the complaint in the Securities Litigation, and participating in strategy sessions and negotiations which consummated in the settlement of the Securities Litigation, which was approved by

this Court on September 1, 1999. CG&R's work on the motion to dismiss had two objectives: (1) to encourage plaintiffs to settle the case, which is what in fact occurred, and (2) if settlement was not achieved, to attack the adequacy of the complaint. The ultimate objective was to eliminate the Securities Litigation as a potential obstacle to a successful reorganization. CG&R relied on bankruptcy counsel for information and advice relating to the impact of the Securities Litigation and the claims asserted by plaintiffs on these Chapter 11 cases, and took such matters into account in formulating its advice and strategy with respect to the Securities Litigation.

9. Work in support of the motion to dismiss the complaint included, inter alia,

- reviewing plaintiffs' memorandum in opposition to the motion to dismiss which was pending when these bankruptcy proceedings were commenced, researching the law, reading new decisions concerning pleading fraud under Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, drafting arguments, preparing a chart addressing the allegations of nondisclosure and preparing a reply memorandum on behalf of the Individual Defendants in further support of the motion. This work included making revisions to the reply memorandum shortly before it was served to

take into account a new Second Circuit decision (Stevelman v. Alias Research Inc.);

- correspondence with the District Court and with counsel for plaintiffs, and discussing scheduling matters concerning the motion to dismiss with lead counsel for the plaintiffs;
- in conjunction with Debtors' bankruptcy counsel, assessing the impact of the automatic stay and preparing a memorandum discussing strategic considerations related thereto;
- reviewing the article concerning Golden Books in the May 1999 issue of Vanity Fair, which plaintiffs used as the basis for a request to further amend their complaint, conferring with Debtors and insurance carrier re same, preparing a letter to the District Court opposing the proposed further amendment to the complaint, attending a conference in District Court concerning the proposed further amendment to the complaint, and developing responses to the issues it raised, including preparation of a time line showing disclosures;
- researching factual and legal issues raised by the newly amended complaint and preparing a supplemental

memorandum and charts, and a supplemental affidavit, in support of a motion to dismiss the complaint as further amended;

- reviewing and analyzing plaintiffs' supplemental memorandum in opposition to the motion to dismiss the complaint as further amended; and
- preparing for oral argument on the motion to dismiss.

10. Work on matters relating to a settlement of the Securities Litigation included, inter alia,

- participating in numerous meetings and conference calls with Debtors' management, Debtors' bankruptcy counsel, lead counsel for plaintiffs and/or representatives of Debtors' primary D&O insurance carrier, Debtors' insurance broker and/or other D&O insurers, and counsel for bondholder representatives;
- communicating with expert consultant and reviewing his damage analysis;
- factual and legal research relating to insurance coverage issues;
- consideration of class certification issues;

- conferring with management of Debtors, preparing checklist for document review and reviewing documents for production to plaintiffs, and correspondence with counsel for plaintiffs re confidentiality of documents and non-waiver of privilege. Counsel for plaintiffs made document production a condition of settlement;
- reviewing and revising memorandum of understanding re settlement;
- preparing Messrs. Snyder and Finkelstein for, and representing them at, depositions conducted by counsel for plaintiffs. Counsel for plaintiffs made these depositions a condition of settlement;
- reviewing and revising drafts of settlement agreement and related documents, reviewing and revising draft release of primary D&O carrier, and reviewing and commenting on papers prepared by Debtors' bankruptcy counsel to obtain approval by this Court of the proposed settlement of the Securities Litigation. The settlement agreement, the release and the motion for Bankruptcy Court approval were mutually interdependent, so that a change in one document frequently required that changes be made in the others, and involved novel drafting issues; and

- attending hearing in Bankruptcy Court re approval of settlement of Securities Litigation to address any substantive, non-bankruptcy questions relating thereto.

11. Other matters with respect to which Cahill Gordon rendered services included, inter alia, responding to an inquiry by the Debtors' auditor concerning the Securities Litigation; assisting Debtors' bankruptcy counsel with the preparation of the application to retain CG&R as special litigation counsel in these proceedings; preparing letters to Individual Defendants re obligations under Delaware law and the proposed Plan of Reorganization, and settlement issues.

#### DISBURSEMENTS

12. CG&R has incurred actual, reasonable and necessary disbursements during the period covered by this Application in the amount of \$24,840.35. This disbursement amount is broken down into categories of charges, and all expenses are summarized at Tabs 1 through 6 attached hereto.

13. During the period covered by this Application, CG&R's rate for xeroxing was \$.15 per page, its rate for outgoing long distance domestic telecopier transmissions was \$1.25 per page (including related toll charges), its rate for outgoing international telecopier transmissions was \$2.50 per page (including related toll charges), and there was no charge for

incoming or local telecopier transmissions. Computer legal research was billed at CG&R's cost.

14. CG&R's ordinary business practice is to bill clients for proofreaders' time and word processing expenses separately from attorney time. Because CG&R's clients need for word processing and proofreading services varies greatly, depending on whether the legal work being performed for them involves the creation of extensive documentation, CG&R follows a policy of "unbundling" these document production costs and billing for them separately. As a result, these costs are not part of the firm's overhead.

15. Expenses for overtime meals are also included in the disbursement amounts. In each case, with one exception, the amount sought is not in excess of \$20.00 per meal. As indicated above (paragraph 7(d)), a downward adjustment of \$3.00 in the amount of disbursements listed has been made to account for the one overtime meal the cost of which exceeded \$20.00. The expenses are justified as overtime meals for professionals providing services late at night and in transactions important to the cases.

#### CONCLUSION

16. During the entirety of the bankruptcy cases, attorneys and paraprofessionals of CG&R have expended a total of 906 hours for fees totaling \$355,311.60. Following the cover

page to the Application is a schedule summarizing the time expended by attorneys and paraprofessionals throughout the bankruptcy cases, including the minimum hourly rates of each individual.

17. The nature of the work performed by these individuals is fully set forth in the exhibits hereto. These are CG&R's normal minimum hourly rates for work of this character. The reasonable value of the services rendered by CG&R to the Debtors during the entirety of the bankruptcy cases is \$355,311.60, to which with the approval of the Court the net retainer of \$1,977.47 would be applied, resulting in an amount to be paid of \$353,334.13.

18. In accordance with the factors enumerated in 11 U.S.C. § 330, the amount requested is fair and reasonable given (a) the complexity of the Securities Litigation, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

WHEREFORE, CG&R prays that final allowance be made to it in the sum of \$355,311.60 as compensation for necessary professional services rendered to the Debtors during the bankruptcy cases, and in the sum of \$24,840.35 for reimbursement of actual necessary costs and expenses incurred during the cases,



and that the Court grant such other and further relief as it may deem just and proper.

Dated: New York, New York  
September 24, 1999

CAHILL GORDON & REINDEL  
(a partnership including a  
professional corporation)

By: /s/ Howard G. Sloane  
Howard G. Sloane (HS-0090)  
80 Pine Street  
New York, New York 10005  
(212) 701-3000

CAHILL GORDON & REINDEL  
(a partnership including a  
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Special Litigation Counsel  
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New York, New York 10005  
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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: :  
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GOLDEN BOOKS FAMILY : (Chapter 11)  
ENTERTAINMENT, INC., et al., :  
:  
Debtors. : Case Nos. 99-10030 (TLB)  
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AFFIDAVIT OF HOWARD G. SLOANE PURSUANT TO  
SECTION 504 OF THE BANKRUPTCY CODE, RULE  
2016 OF THE FEDERAL RULES OF BANKRUPTCY  
PROCEDURE, AND CERTIFICATION OF COMPLIANCE  
WITH LOCAL FEE AND EXPENSE GUIDELINES

STATE OF NEW YORK )  
: ss.:  
COUNTY OF NEW YORK)

HOWARD G. SLOANE, being duly sworn, deposes and says:

1. I am a member of the Bar of this Court and a  
partner of the Applicant firm of Cahill Gordon & Reindel

("CG&R"). I make this Certification in compliance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, dated April 19, 1995 (the "Amended Local Guidelines") in support of the Final Application of Cahill Gordon & Reindel, Special Litigation Counsel to the Debtors, for Allowance of Compensation and Reimbursement of Expenses, dated September 24, 1999 (the "Final Fee Application").

2. No agreement or understanding exists between Cahill Gordon & Reindel and any person for a division of compensation or reimbursement received or to be received herein or in connection with the Securities Litigation described in the Final Fee Application.

3. Cahill Gordon & Reindel has received no payment or promise of payment for the services rendered in these Chapter 11 cases other than as disclosed in the application for CG&R's retention as special litigation counsel for the Debtors and in the Final Fee Application.

4. (a) I have read the Final Fee Application. (b) To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Amended Local Guidelines and the guidelines promulgated by the Executive Office for United States Trustees (the

"UST Guidelines"). (c) Except to the extent that fees or disbursements have been adjusted to comply with the Amended Local Guidelines or the UST Guidelines, the fees and disbursements sought are billed at rates in accordance with practices customarily employed by the Applicant and generally accepted by the Applicant's clients. (d) In providing a reimbursable service, the Applicant does not make a profit on that service, whether the service is performed by the Applicant in-house or through a third party.

5. The Debtors and the United States Trustee each have been provided not later than 20 days after the end of each calendar month during the period covered by the Final Fee Application (except for the initial period (February 26 - March 31, 1999), for which a statement was distributed on April 22) with a statement of fees and disbursements accrued during such period, in substantial compliance with paragraph (B)(2) of the Amended Local Guidelines. It is my understanding that there are no official committees in these proceedings.

6. Due to time constraints, we were unable to provide the Final Fee Application to either the Debtors or the United States Trustee 10 days before the date set by the Court for filing this Application.

/s/ Howard G. Sloane  
Howard G. Sloane (HS-0090)

Sworn to before me this  
23rd day of September, 1999.

/s/ Deborah Savino Scotto  
Notary Public

April 22, 1999

TO: Golden Books Family Entertainment, Inc.  
Attn: Philip Galanes, Esq.  
Colin Finkelstein

FROM: Cahill Gordon & Reindel

RE: Statement of Fees and Disbursements for  
February 26, 1999 to March 31, 1999

1. Cahill Gordon & Reindel ("CGR") hereby submits this statement of fees for services and related disbursements on behalf of the Debtors Golden Books Family Entertainment, Inc., for the period from February 26, 1999 to March 31, 1999. During the applicable period, Cahill Gordon & Reindel incurred total fees in the amount of \$43,518.40 at its usual and customary hourly rates and actual and necessary disbursements of \$1433.49.<sup>a</sup>

2. Exhibit "A" is a schedule listing all attorneys and paraprofessionals providing services for the estates, their respective billing rates, and the aggregate hours expended by such persons during the period from February 26, 1999 to March 31, 1999.

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<sup>a</sup> The application to retain CGR as special litigation counsel is pending.

3. Exhibit "B" provides a detailed accounting of services rendered, by category of services performed, itemized by the name of the person who rendered the service, the date of service, the amount of time expended and a description of the services rendered.

4. Exhibit "C" is a schedule of disbursements incurred during the period from February 26, 1999 to March 31, 1999 in connection with services performed by Cahill Gordon & Reindel for the estates, in the aggregate and by category of work performed.

5. During the applicable period, Cahill Gordon & Reindel provided legal services in the consolidated Lemmer and Green Fund class actions, and provided advice related to such actions in connection with the Debtors' proposed reorganization plan.

6. Cahill Gordon & Reindel customarily bills clients on a monthly basis for legal services rendered and expenses incurred. Charges for services are calculated based upon standard hourly rates and time devoted to such legal services.

<u>NAME</u>	<u>POSITION</u>	<u>RATE</u>	<u>AGGREGATE HOURS</u>	<u>TOTAL FEES</u>
Michael A. Becker	Partner	520.00	3.50	1,820.00
Howard G. Sloane	Partner	520.00	8.80	4,576.00
Robert Usadi	Partner	520.00	.20	104.00
Leonard A. Spivak	Partner	500.00	4.20	2,100.00
Roy L. Regozin	Partner	488.00	56.00	27,328.00
Marc J. Korpus	Senior Attorney	452.00	7.70	3,480.40
Agnelo Azulay	Director of Corporate Research	260.00	.30	78.00
Tammy Harvey	Associate	228.00	14.40	3,283.20
Nicholas Marcantonio	Deputy Managing Attorney	184.00	.30	55.20
Abdul Ahmad	Paralegal	100.00	5.00	500.00
Proofreaders	Paraprofessionals	88.00	2.20	193.60
			<u>102.60</u>	<u>\$43,518.40</u>



March, 1999

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
02/26/99	BECKER	Tel. calls with Galanes re: various issues relating to filing, employment matters, and prior debt deals.	1.50
03/01/99	SPIVAK	Write-up for response to auditor's inquiry letter.	.50
03/01/99	SLOANE	review of filing (.20); review of bankruptcy issues re automatic stay (.80); confs with pls counsel re discovery, scheduling (.20); review of latest 10-b 5 decisions (.80).	2.00
03/01/99	KORPUS	Tel.C. A. Hyman (0.1) re filing CG&R retention; Tel.Confs. Sloane (0.2) re strategy in connection with bankruptcy.	.30
03/02/99	SPIVAK	(1) Confs. Becker, Korpus, Hyman, Sloane re possibility of settlement of securities claims (0.60); (2) conf. call Snyder, Hyman, et al re possibility of settling insurance claim (0.30); (3) revisions to response to auditor's letter of inquiry (0.40).	1.30
03/02/99	USADI	Conf. Sloane & Meistrell.	.20
03/02/99	BECKER	Confs. call with Sloane, Hyman, Snyder, et al. re possible settlement.	1.50
03/02/99	KORPUS	Attend (by Tel.) meeting to discuss litigation w/Sloane,	1.50

March, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		Spivak, Snyder, Hyman (1.0); revisions to affidavit to retain CGR (0.5).	
03/02/99	AZULAY	For Becker - Ernst & Young Letter	.30
03/03/99	KORPUS	Review revised papers for retention of CG&R (0.3) & Tel.Cs. Sloane (0.1), Ringel (0.2), Kavalier (0.1) re disclosure of connections; prep. revisions of papers (0.5); Tel.Cs. Hahn (0.1), Walter (0.1), re same; prepare letter to District Court re automatic stay (0.8) & Tel.C. Sloane (0.1) re same.	2.30
03/03/99	AHMAD	Trip to USDC-SDNY to search for any Notice of Bankruptcy filed in Lammer v. Golden Books for Mr. Spivak.	1.00
03/04/99	SPIVAK	(1) Conferences at Proskauer with DIP counsel and plaintiffs' counsel re possibility of revolution of litigation and possible strategy for dealing with plaintiffs (1.80); (2) t. calls Snyder, Galanes, Felicia Rosen (Chubb) re report and update (0.20).	2.00
03/04/99	SLOANE	prep for and meetings with pls. counsel re scheduling issues and possible settlement scenarios (1.0); confs. with client re status and developments as a result of meeting (.20); considered lift stay motion (.30); conf. with Ms. Rosen of Chubb re meeting (.50).	2.00

March, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/04/99	KORPUS	Tel.C. Spivak re potential disposition of claims in bankruptcy court.	.30
03/05/99	BECKER	Discussion with P. Sloane and M. Korpus relating to affidavit.	.50
03/08/99	SPIVAK	Revise memo on strategic considerations - whether lifting automatic stay benefits individuals, company.	.30
03/08/99	SLOANE	conf with AIG re D & O insurance (.80); conf with Galanes (.20).	1.00
03/09/99	REGOZIN	Tc Korpus (0.10) re what needed for Plan approval; draft comments re strategy for securities litigation (0.50).	.60
03/10/99	REGOZIN	Message from Spivak, tc's and conf Korpus re impact of bankruptcy proceeding on litigation strategy (0.80).	.80
03/11/99	REGOZIN	Messages from and to Spivak (0.10); review Executive Risk insurance policy re coverage question (0.90); prep memo to Sloane (0.20); conf Sloane (0.30).	1.50
03/11/99	AHMAD	Trip to USDC-SDNY to search for status of case incl. order re: bankruptcy in Lammer v. Golden for Mr. Spivak.	.50
03/12/99	SLOANE	prep for and meeting with Chubb (1.5); conf with client re status (.30).	1.80
03/12/99	KORPUS	Attend meeting w/Fed. Ins. Co.	1.80

March, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		rep. Spivak, Sloane re: bkrptcy issues and D&O insurance policy.	
03/12/99	AHMAD	Trip to USDC-SDNY to search for certain letters filed at USCA in Press v. Chemical Bank.	1.00
03/15/99	REGOZIN	Read memo in opposition to motion to dismiss.	.70
03/15/99	HARVEY	Reviewing response memorandum re: motion to dismiss.	.70
03/16/99	REGOZIN	Cor Saltman (0.10), cor Baio, Klein, Rutsky, Rosen, Harlfinger (0.30) transmitting copies of plaintiffs' opposition papers; tc's Harvey re research assignments (0.20); work on reply memo (5.90).	6.50
03/16/99	HARVEY	Reviewing cases cited in plaintiff's response brief.	2.00
03/16/99	AHMAD	Trip to USDC-SDNY to search for all letters filed in Press v. Chem Bank for Ms. Harvey.	1.00
03/17/99	REGOZIN	Work on reply memo.	6.80
03/17/99	SPIVAK	T. calls Rosen (Insurer) and Rutsky (Proskauer) re meeting re exploring settlement (0.10).	.10
03/17/99	MARCANTONIO	Diaried last day to serve reply papers in support of motion to dismiss.	.30
03/17/99	HARVEY	Reading fraud by hindsight cases cited in plaintiff's response brief.	1.00

March, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/18/99	REGOZIN	Work on reply (6.10); conf Korpus re possible interface for distribution of ballots re plan (0.40); conf Harvey re results of research (0.40).	6.90
03/18/99	KORPUS	Tel.Confs. Waters [Proskauer] (0.5); Regozin (0.6); Regozin, Spivak (0.2) re class certification issues and methods of balloting class members.	1.30
03/18/99	HARVEY	Fraud hindsight research (reading and analyzing cases).	1.00
03/18/99	HARVEY	Writing memorandum to Mr. Regozin re: points to be included in our reply brief.	2.50
03/19/99	REGOZIN	Work on reply.	7.00
03/19/99	AHMAD	Trip to USDC-SDNY to send new filings in Lemmer v. Golden.	.50
03/22/99	REGOZIN	Work on reply.	5.20
03/22/99	HARVEY	Research re: allegations based on attorneys' investigation and not information and belief.	1.50
03/23/99	REGOZIN	Message from, conf and tc Harvey re research assignments (0.20); work on reply (5.60).	5.80
03/23/99	HARVEY	Continued research re: information and belief argument.	.50
03/23/99	HARVEY	Drafting argument re: information and belief.	1.00
03/23/99	HARVEY	Reviewing draft; research re:	.70

March, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		difference under Rule 9(6) v. PSLRA.	
03/24/99	REGOZIN	Tc Harvey re research assignment (0.10); work on reply (7.40).	7.50
03/24/99	HARVEY	Additional research re: pleading fraud on an investigation by attorney.	1.00
03/24/99	PRFRDR	Generated Table of Contents and Table of Authorities for Roy Regozin.	1.00
03/25/99	REGOZIN	Work on reply (4.90); tc's Harvey (several) re changes to draft reply (0.20).	5.10
03/25/99	KORPUS	Conf. Regozin re automatic stay language in reply brief on motion to dismiss.	.20
03/25/99	HARVEY	Proofreading (.50); shepardizing (1.0).	1.50
03/25/99	PRFRDR	Checked revisions on Table of Content and Table of Authority for T. Harvey.	.20
03/26/99	REGOZIN	Revise draft reply (0.60).	.60
03/26/99	PRFRDR	Revisions on Reply Memo for T. Harvey.	1.00
03/26/99	AHMAD	Trip to USDC-SDNY to search for order and copy docket filed in Lemmer v. Golden Books.	.50
03/29/99	REGOZIN	Draft cor to Judge Schwartz re motion.	.60
03/29/99	HARVEY	Cite checking reply memo.	.50

March, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
03/29/99	AHMAD	Trip to USCA-2d Circuit to send status of disposition in Press v. Chem Bank.	.50
03/30/99	REGOZIN	Messages from and to Sloane re draft reply (0.20); revise draft cor to Judge Schwartz (0.20).	.40
03/30/99	HARVEY	Shepardizing reply brief.	.50
03/31/99	SLOANE	Preparation for and meeting with client (1.8); review of Plan (.2).	2.00
TOTAL FOR SERVICES			<hr/> 102.60

March, 1999

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
MAB	BECKER, M	520.00	3.50	1,820.00
HGS	SLOANE, H	520.00	8.80	4,576.00
RU	USADI, R	520.00	.20	104.00
LAS	SPIVAK, L	500.00	4.20	2,100.00
RLR	REGOZIN, R	488.00	56.00	27,328.00
MJK	KORPUS, M	452.00	7.70	3,480.40
AA	AZULAY, A	260.00	.30	78.00
TH	HARVEY, T	228.00	14.40	3,283.20
NJM	MARCANTONIO, N	184.00	.30	55.20
AA	AHMAD, A	100.00	5.00	500.00
PR	PRFRDR	88.00	2.20	193.60
	TOTAL		102.60	\$ 43,518.40



GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

DISBURSEMENT SUMMARY

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	453.90
Postage	3.30
Telephone Charges	.43
Local Transportation	27.36
Velo Bind	165.00
Rapifax	123.00
Westlaw Searches	47.50
Messenger Services	53.00
Word Processing	560.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$1,433.49

Exhibit C

May 18, 1999

TO: Golden Books Family Entertainment, Inc.  
Attn: Philip Galanes, Esq.  
Colin Finkelstein

FROM: Cahill Gordon & Reindel

RE: Statement of Fees and Disbursements for  
April, 1999

1. Cahill Gordon & Reindel ("CGR") hereby submits this statement of fees for services and related disbursements as special litigation counsel for the Debtors Golden Books Family Entertainment, Inc., et al. for the month of April, 1999. During the applicable period (including late-recorded time and disbursements from February and March, 1999), Cahill Gordon & Reindel incurred total fees in the amount of \$51,684.40 at its usual and customary hourly rates and actual and necessary disbursements of \$2,995.60.

2. Exhibit "A" is a schedule listing all attorneys and paraprofessionals providing services for the estates, their respective billing rates, and the aggregate hours expended by such persons during the month of April, 1999 (including certain entries of late-recorded time during February and March, 1999.)

3. Exhibit "B" provides a detailed accounting of services rendered, by category of services performed, itemized

by the name of the person who rendered the service, the date of service, the amount of time expended and a description of the services rendered.

4. Exhibit "C" is a schedule of disbursements incurred during the month of April, 1999 (including certain late-recorded disbursements incurred during February and March, 1999) in connection with services performed by Cahill Gordon & Reindel for the estates, in the aggregate and by category of work performed.

5. During the applicable period, Cahill Gordon & Reindel provided legal services in the consolidated Lemmer and Green Fund class actions.

6. Cahill Gordon & Reindel customarily bills clients on a monthly basis for legal services rendered and expenses incurred. Charges for services are calculated based upon standard hourly rates and time devoted to such legal services.

LIST OF PROFESSIONALS, RATES AND AGGREGATE HOURS

APRIL 1999

<u>NAME</u>	<u>POSITION</u>	<u>RATE</u>	<u>AGGREGATE HOURS</u>	<u>TOTAL FEES</u>
Howard G. Sloane	Partner	520.00	31.80	16,536.00
Leonard A. Spivak	Partner	500.00	13.80	6,900.00
Roy L. Regozin	Partner	488.00	44.80	21,862.40
Marc J. Korpus	Senior Attorney	452.00	1.80	813.60
Agnelo Azulay	Director of Corporate Research	260.00	.20	52.00
Tammy Harvey	Associate	228.00	17.40	3,967.20
Nicholas J. Marcantonio	Deputy Managing Attorney	184.00	1.00	184.00
Michael Holmes	Paralegal	168.00	2.00	336.00
Abdul Ahmad	Paralegal	100.00	3.50	350.00
Christine Westbrook	Paralegal	96.00	5.10	489.60
Proofreaders	Paraprofessionals	88.00	2.20	193.60
			<u>123.60</u>	<u>51,684.40</u>

Exhibit A

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
02/26/99	SLOANE	Review of documents and consideration of strategy.	2.00
03/02/99	HARVEY	Updating research on PSLRA litigation in all courts and writing memo to Mr. Regozin regarding recent SDNY cases.	1.00
03/10/99	KORPUS	T.Conf. w/Regozin re met to lift stay (.30); review case law on jury trial (.30); p.m. re analyzing whether to seek lift of stay (1.20).	1.80
03/10/99	HARVEY	Updating PSLRA research and writing memorandum to Mr. Regozin.	.80
03/31/99	SPIVAK	Confs. with Insurer and Company in house counsel and Bankruptcy Counsel for Company re possible settlement strategies (Sloane, Galanes, Rutsky, Rosen)	2.00
04/01/99	SLOANE	reviewed cases cited by pls (2); reviewed pls brief in opp to our motion to dismiss (1) re-drafted our reply brief and prepared chart for court (4.6)	7.60
04/05/99	WESTBROOK	Tel cs to attorneys re submitting time (.20); prepared summary of professional fees (.70).	.90
04/05/99	REGOZIN	Review and revise revised draft reply memo (6.70); messages to and from Sloane re comments (0.10)	6.80
04/05/99	SPIVAK	(1) Confs. Regozin re Reply Brief on motion to dismiss (0.20); (2) letter to Galanes re supplemental affidavit for retention as special counsel (0.10); (3) review/revise supplemental affidavit (0.20)	.50

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
04/05/99	PROOFREADERS	Checked revs on bill for C. Westbrook	.20
04/05/99	PROOFREADERS	Checked revs on affidavit for L. Spivak	.50
04/06/99	WESTBROOK	Proofed draft of stmt of fees and disb (.20); revised same (.70).	.90
04/06/99	REGOZIN	Work on chart (6.40); conf Sloane re same (0.10)	6.50
04/06/99	SPIVAK	(1) T. call Rosen re settlement (0.10); (2) t. call Rutsky re settlement (0.10); (3) review reply brief on motion to dismiss (0.20)	.40
04/06/99	HARVEY	Editing Table of Authorities (0.4); checking citations (0.6); proofreading (0.5).	1.50
04/06/99	PROOFREADER	Check revs. on list professional for C. Westbrook	1.50
04/07/99	WESTBROOK	Reviewed and revised stmt of fees and disb (.60); prepared and sent memos to attnys re time entries (.40).	1.00
04/07/99	REGOZIN	Revise draft reply memo (3.20), draft chart (1.70), draft cor Judge Schwartz (0.20) and draft cor Wallner (0.10)	5.20
04/07/99	SPIVAK	(1) Draft letter to individual defendants acknowledging obligations per Delaware law and per Plan of Reorganization (0.80); (2) draft litigation budget per request of insurer representative and review complaint and press releases in connection with same (2.00)	2.80

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
04/07/99	SLOANE	review of reply brief and read cases(1.8); confs with client and insures (.2)	2.00
04/07/99	HOLMES	Checked cites in reply brief for R. Regozin.	2.00
04/08/99	SPIVAK	(1) T. call Rutsky re status of settlement negotiations (0.10); (2) continue preparation of litigation budget and revise per request of insurance rep. (1.20)	1.30
04/09/99	REGOZIN	Further revisions to reply memo (2.10) and chart (2.30); conf Sloane re changes (0.10)	4.50
04/12/99	REGOZIN	Final changes to reply memo and chart (1.30); read recent SDNY cases re PSLRA (1.00); conf Sloane and message to Sloane re recent case (0.20); cor Saltman, Baio, Klein requesting comments on reply memo and chart (0.30); tc Saltman re reply memo and chart	2.80
04/12/99	SLOANE	review of case law cited by pls (1)	1.00
04/12/99	HARVEY	Shepardizing reply brief (0.6); editing reply brief (0.4).	1.00
04/13/99	WESTBROOK	Reviewed and revised stmt of fees and disb.	.20
04/13/99	REGOZIN	Tc Sloane re briefing stip and check file re same (0.10); tc's Baio secy, Klein, Saltman re draft reply memo (0.20); read new Second Circuit decision (Stevelman) (0.40);	2.60

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		prepare proposed revisions to reply memo (1.70); message to Sloane (2) re case and revisions (0.10); conf Harvey re research assignment re checking for other new decisions (0.10)	
04/13/99	HARVEY	2d circuit research re: pleading scienter in securities fraud cases.	.80
04/13/99	AHMAD	Trip to USCA-2d Circuit to search for disposition of rehearing in Press v. Chemical Bank. (AA)	.50
04/14/99	REGOZIN	Messages from (3) and to (2) Sloane re Stevelman case (0.30); tc's Baio, Saltman re comments re draft reply (0.10); revise reply memo (1.30); tc's (2) and conf Harvey re finalizing reply memo (0.30); finalize cor Wallner (0.20); draft cor Galanes (0.30)	2.50
04/14/99	SLOANE	read reply brief and redrafted same (2); confs with Chubb (.1) and with client (.1); review of Second Cir cases cited by other side (1.8)	4.00
04/14/99	MARCANTONIO	Trip to USDC-SDNY to file all original motion papers and delivered courtesy copies.	1.00
04/14/99	HARVEY	Changes to reply brief (1.0); supervised getting reply brief put together and out the door (0.5).	1.50
04/14/99	AHMAD	Served Reply Memorandum in Support of Motion and Letters on Milberg Weiss for Mr.	1.00



GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		Regozin. (MH)	
04/15/99	SLOANE	confs with Galanes, Chubb, Hyman re settlement issues (1); review of and comments on Reply Brief (2.6); review of new Second Cir. decision re scienter and considered implications in light of other law (.4)	4.00
04/19/99	WESTBROOK	Proofed stmt of fees and disb(.10); prepared cover ltr (.20); prepared memo to Golden Books (.40); distributed drafts (.10).	.80
04/20/99	WESTBROOK	Revised cover ltr(.30); revised cover memo (.20); copied and prepared stmt of fees and disb for distribution (.50).	1.00
04/21/99	SLOANE	Conf. Chubb re ins. issues.	.20
04/21/99	AHMAD	Trip to USCA, 2d Circuit to search for status of disposition of case in Press v. Chemical Bank. (AA)	.50
04/22/99	WESTBROOK	Revised and copied cover letter and memo.	.30
04/22/99	REGOZIN	Read article in Vanity Fair	.60
04/22/99	SPIVAK	(1) Read letter from plaintiffs' counsel to court attempting to amend complaint and annexed Vanity Fair article (1.50); (2) V.M.'s Sloane re response to court (0.10)	1.60
04/23/99	REGOZIN	Review docs and prepare time line for use in responding to plaintiffs arguments based	2.40

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		upon article in Vanity Fair (1.40); reviewed draft cor to Court to add factual arguments (1.00)	
04/23/99	SPIVAK	(1) Letters to insurers, clients, others re Vanity Fair article (0.50); (2) t. call Galanes re Vanity Fair article (0.10); (3) draft letter to court opposing request for permission to file further amended complaint (1.30); (4) confs. Regozin re opposition to plaintiffs' request (0.50)	2.40
04/23/99	SLOANE	Reviewed letter from plaintiffs' counsel to court and attached documents (.50); prepared for meeting with Chubb (.50); attended meeting with Chubb (1.50); reviewed legal issues re pls right to amend complaint while motion pending (1.); reviewed arguments we may make in opposition to plaintiffs letter to court and reviewed letter (.50)	4.00
04/26/99	REGOZIN	Final comments on letter to Judge Schwartz (0.40); tc's Saltman office (2), Saltman re Nations Credit loan commitment (0.20); read Nations Credit documents (0.40); consider issues to be raised at conference with the Court (0.60); conf Spivak re same (0.20); highlight Vanity Fair article for use in prep for and at conference (0.50)	2.30
04/26/99	SPIVAK	(1) Revise letter to Court in opposition to request to file amended complaint (0.30); (2)	1.10

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		confs. Sloane re potential arguments/scenarios for Court argument (0.20); (3) conference Regozin re materials for Court argument, chronological analysis of statements (0.30); (4) review Brief Motion To Dismiss (0.30).	
04/26/99	SLOANE	prep for (.50) and meeting with pls counsel at Proskauer re possible resolution of case (1.50)	2.00
04/27/99	REGOZIN	Message from Sloane, message from Spivak, message to Sloane, Spivak & Korpus, tc Korpus re automatic stay issue for conf with Court (0.20); conf Spivak re conf with Court (0.20); tc's Saltman, Sloane re info re Ellenbogen (0.10)	.50
04/27/99	SPIVAK	(1) Court hearing on request to file amended complaint (1.00); (2) memo re court results (0.10); (3) confs Regozin/Korpus re research issues raised by Court (0.10).	1.20
04/27/99	SLOANE	prep for (1) and attendance at court conf before Judge Schwartz re pls application to amend complaint in light of Vanity Fair interview of Snyder (1)	2.00
04/27/99	AZULAY	For Regozin: Golden Book Form 3 info re: Elenborg.	.20
04/27/99	HARVEY	Research re: materiality standard in securities fraud cases.	2.00
04/27/99	AHMAD	Trip to USCA-2d Circuit to	.50

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		search for disposition in Press v. Chemical Bank. (AA)	
04/27/99	AHMAD	Delivery of letter of CG&R to Judge Schwartz at USDC-SDNY. (MH)	.50
04/28/99	REGOZIN	Read transcript of conf with Court (0.20); consider how to respond to expected additions to complaint (0.60); read Forms 3 and 4 filed by Ellenbogen (0.20)	1.00
04/28/99	SPIVAK	(1) Read conference transcript and distribute to client, Insurer (0.20); (2) conference Regozin re possible arguments concerning statements in Vanity Fair article (0.20); (3) read cases on materiality issue (0.10).	.50
04/28/99	HARVEY	Continued research re: materiality standard in securities fraud cases (2.5); drafting memo to R. Regozin (1.5).	4.00
04/28/99	AHMAD	Obtained transcript from SDNY for Mr. Spivak. (MH)	.50
04/29/99	REGOZIN	Conf Spivak re arguments for supplemental memorandum (0.30); work on outline for supplemental memorandum (0.80)	1.10
04/29/99	SLOANE	review of issues re amended complt proposed by pls (1); review of stds in Second Cir. re amending complt (1); review of transcript and actions of the Court (.2); confs with Wallner and client re status and strategy (.8)	3.00

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
04/29/99	HARVEY	Research re: duty to disclose (2.0); made additions to research memo (0.8).	2.80
04/30/99	REGOZIN	IF re statements re customer relations, information systems (3.60); work on outline for supplemental memo (2.40)	6.00
04/30/99	HARVEY	Research re: nexus between market price of stock and materiality.	2.00
		TOTAL FOR SERVICES	<u>123.60</u>

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
HGS	SLOANE, H	520.00	31.80	16,536.00
LAS	SPIVAK, L	500.00	13.80	6,900.00
RLR	REGOZIN, R	488.00	44.80	21,862.40
MJK	KORPUS, M	452.00	1.80	813.60
AA	AZULAY, A	260.00	.20	52.00
TH	HARVEY, T	228.00	17.40	3,967.20
NJM	MARCANTONIO, N	184.00	1.00	184.00
MH	HOLMES, M	168.00	2.00	336.00
AA	AHMAD, A	100.00	3.50	350.00
CW	WESTBROOK, C	96.00	5.10	489.60
PRFRDRS	PROOFREADERS	88.00	<u>2.20</u>	193.60
	TOTAL		<u>123.60</u>	<u>\$51,684.40</u>

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

DISBURSEMENT SUMMARY

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	\$ 310.40
Velo Bind	50.00
Postage	6.60
Luncheon Conferences	197.25
Local Transportation	80.22
Westlaw Searches	398.88
Messenger Services	135.50
Word Processing	1,816.75
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$2,995.60

Exhibit C

June 18, 1999

TO: Golden Books Family Entertainment, Inc.  
Attn: Philip Galanes, Esq.  
Mr. Colin Finkelstein

FROM: Cahill Gordon & Reindel

RE: Statement of Fees and Disbursements for  
May, 1999

1. Cahill Gordon & Reindel ("CGR") hereby submits this statement of fees for services and related disbursements as special litigation counsel for the Debtors Golden Books Family Entertainment, Inc., et al., for the month of May, 1999. During the applicable period, Cahill Gordon & Reindel incurred total fees in the amount of \$86,076.00 at its usual and customary hourly rates and actual and necessary disbursements of \$7,062.55.

2. Exhibit "A" is a schedule listing all attorneys and paraprofessionals providing services for the estates, their respective billing rates, and the aggregate hours expended by such persons during the month of May, 1999.

3. Exhibit "B" provides a detailed accounting of services rendered, by category of services performed, itemized by the name of the person who rendered the service, the date of



service, the amount of time expended and a description of the services rendered.

4. Exhibit "C" is a schedule of disbursements incurred during the month of May, 1999 (including certain late-recorded disbursements incurred during April, 1999) in connection with services performed by Cahill Gordon & Reindel for the estates, in the aggregate and by category of work performed.

5. During the applicable period, Cahill Gordon & Reindel provided legal services as special litigation counsel in the consolidated Lemmer and Green Fund class actions in the United States District Court for the Southern District of New York.

6. Cahill Gordon & Reindel customarily bills clients on a monthly basis for legal services rendered and expenses incurred. Charges for services are calculated based upon standard hourly rates and time devoted to such legal services.

LIST OF PROFESSIONALS, RATES AND  
AGGREGATE HOURS

<u>NAME</u>	<u>POSITION</u>	<u>RATE</u>	<u>AGGREGATE HOURS</u>	<u>TOTAL FEES</u>
Howard G. Sloane	Partner	520.00	34.80	18,096.00
Leonard A. Spivak	Partner	500.00	28.30	14,150.00
Roy L. Regozin	Partner	488.00	72.30	35,282.40
Marc J. Korpus	Senior Attorney	452.00	2.60	1,175.20
Tammy Harvey	Associate	228.00	37.30	8,504.40
Howard H. Rice III	Associate	228.00	7.10	1,618.80
Mary Cahn	Reference Librarian	184.00	1.50	276.00
Nicholas J. Marcantonio	Deputy Managing Attorney	184.00	.50	92.00
Michael Holmes	Paralegal	168.00	22.70	3,813.60
Que-Phuong Nguyen	Computer Services Librarian	168.00	.20	33.60
Margaret J. Davenport	Head Librarian	108.00	.50	54.00
Abdul Ahmad	Paralegal	100.00	3.00	300.00
Christine Westbrook	Paralegal	96.00	3.90	374.40
Proofreaders	Para- professionals	88.00	26.20	2,305.60
			240.90	\$86,076.00

May 11, 1999

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/03/99	REGOZIN	Work on outline for supplemental memorandum	1.00
05/04/99	REGOZIN	Work on arguments (0.90); tc's Harvey (2) re issues to research (0.40); read amended complaint (1.00); tc and conf. Korpus re whether amended complaint violates automatic stay (0.40); IL re collateral estoppel (0.40)	3.10
05/04/99	SPIVAK	(1) Confs. Regozin regarding motion to dismiss Second Amended Complaint (0.50); (2) begin draft of memorandum to dismiss Second Amended Complaint (in anticipation of receipt of document) (1.00); (3) read Second Amended Complaint (1.00)	3.50
05/04/99	HARVEY	Research re: ignorance and recklessness (1.3); research re: automatic stay and control person liability under 20(a) (1.5).	2.80
05/04/99	PROOFREADER	Full read of Brief for R. Regozin	1.00
05/04/99	PROOFREADER	Full read complaint for L. Spivak	1.00
05/04/99	PROOFREADER	Full Read Redlined Complaint for R. Regozin	3.00
05/04/99	PROOFREADER	Full read Redline Complaint for R. Regozin	3.00

Exhibit B

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/04/99	PROOFREADER	Checked revs for Complaint for L. Spivak	.70
05/04/99	PROOFREADER	Checked revisions on Complaint for L. Spivak	1.00
05/04/99	PROOFREADER	Full read Memorandum for L. Spivak	1.50
05/05/99	REGOZIN	Work on financial charts and footnote for supplemental memo (4.30); tc Sloane re affidavit (0.10)	4.40
05/05/99	SPIVAK	Work on Supplemental Memo in Support of Motion to Dismiss	4.50
05/04/99	KORPUS	Review amended complaint (0.3) & Conf. Regozin (0.5) re auto. stay issues.	.80
05/05/99	HARVEY	Research re: cases which say that analysts rely on fact and not on what corporate officials say.	2.00
05/05/99	PROOFREADER	Input chart re financial condition for R. Regozin	.50
05/05/99	PROOFREADER	Checked revisions on Memorandum of Law for L. Spivak	1.00
05/05/99	PROOFREADER	Checked revisions on Memo of Law for L. Spivak	2.50
05/06/99	REGOZIN	Work on supplemental memo (9.80); tc's and confs Harvey re research (0.50); conf Holmes re affidavit and exhibits (0.30); draft supplemental affidavit (0.30)	10.90
05/06/99	SPIVAK	(1) Work on Supplemental Memorandum in support of motion to dismiss (7.00); (2)	8.00

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		confs. Regozin and Harvey re Supplemental Memorandum, re-research issues for memo and argument analysis (1.00)	
05/06/99	SLOANE	Revisions to and review of letter to court (.25); Conferences with plaintiffs counsel (.25); review of proposed amended complaint and considered possible defenses thereto (1.50)	2.00
05/06/99	HOLMES	Prepared exhibits for affidavit (3.7); confs w/ R. Regozin re: same(.30).	4.00
05/06/99	MARCANTONIO	Delivered Mr. Sloane's letter to Judge Schwartz.	.50
05/06/99	HARVEY	Updated research re: group pleading and PSLRA (3.5); research re: judicial notice of stock prices (1.5); research re: materiality of statements which have no effect on stock price (1.5).	6.50
05/06/99	PROOFREADER	Checked revisions on Memorandum for L. Spivak	4.00
05/07/99	WESTBROOK	Tel cs. to attorneys re time records.	.10
05/07/99	REGOZIN	Finalize draft of supplemental memo (1.00); work on charts (7.30); conf Sloane re comments (0.20); tc's and conf Harvey re research (0.40)	8.90
05/07/99	KORPUS	T.Conf. Regozin re auto. stay issues.	.40
05/07/99	HOLMES	Cite checked brief(3.2);	6.50

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		prepared affidavit exhibits(2.6); confs w/ R. Regozin re: above(.70).	
05/07/99	HARVEY	Shepardizing supplemental brief (0.8); cite checking supplemental brief (2.0).	2.80
05/07/99	DAVENPORT	Assisting Mr. Regozin in legal research regarding retrieval of historical stock prices.	.50
05/08/99	REGOZIN	Revise supplemental memo(2.20); revise charts (1.70); revise supplemental affidavit and assemble exhibits (1.30); draft cor Saltman (0.20); draft cor Baio (0.20); draft cor Klein (0.20); draft cor Rutsky (0.20)	6.00
05/08/99	PROOFREADER	Checked revisions on Memorandum of Law for R. Regozin	.50
05/10/99	REGOZIN	Revise supplemental memo (2.10); revise charts (2.90); draft cor Wallner (0.40); conf Holmes re cite checking re exhibits to affidavit and table of authorities (0.30); tc and conf Rice re checking for recent decisions (0.30)	6.00
05/10/99	SPIVAK	(1) Confs. Regozin and Sloane re Supplemental Dismissal Brief (0.50); (2) revise Supplemental Brief (0.50)	1.00
05/10/99	SLOANE	revised supplemental brief in support of motion to dismiss (2); review of case law	5.00

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		on scianter (.30); review of and changes to charts to ac- company brief (2.70)	
05/10/99	RICE	Tel. C. with R. Regozin re outstanding issues in final- izing individual defendants' supplemental memo. of law in support of their motion to dismiss (.30); cite-checking (1.00).	1.30
05/10/99	HOLMES	Prepared exhibits for affi- davit(2.5); cite checked chronologies and appendices (5.2)	7.70
05/11/99	WESTBROOK	Reviewed time records (.40); prepared summary of profes- sional fees (.40).	.80
05/11/99	REGOZIN	Finalize papers (5.20); mes- sages from and to Sloane re changes (0.30); tc's Baio, Saltman, Rutsky, Klein secy re comments re draft papers (0.20); confs Holmes re af- fidavit exhibits and table of authorities (0.20); tc's and confs Rice re research and re changes in citations (0.30); finalize time line chart (0.60)	6.80
05/11/99	CAHN	Cite-checking individual de- fendants' supplemental memo in support [S.D.N.Y.] for Roy Regozin.	1.50
05/11/99	RICE	Finalizing supplemental B. in support of individual de- fendants' motion to dismiss: legal research (1.7); cite- checking (2.6); shepardizing (.50); confs. with R. Re-	5.80

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		gozin (.30); final editing (.70).	
05/11/99	AHMAD	Served Individual Defendants Supplemental Memorandum of Law of Howard G. Sloane on Milberg Weiss for Mr. Spivak.	1.50
05/11/99	AHMAD	Trip to USCA-2d Circuit to check for disposition in Press v. Chemical for Mr. Regozin.	.50
05/11/99	HOLMES	Checked quotations in brief (2.1); prepared affidavit exhibits (.80); copied documents (1.0); confs w/ R. Regozin re: finalizing papers for service (.10).	4.00
05/12/99	WESTBROOK	Reviewed and revised stmt of fees and disb (.80); conf. w/M.Korpus re stmt (.20).	1.00
05/12/99	REGOZIN	Draft cor Baio, Klein, Rosen, Harlfinger, Saltman, Rutsky (0.40); messages to and from Sloane re cor (0.10); draft cor to Court re courtesy copies of supplemental papers (2 versions) (0.50); messages from and to Spivak re conversaton with Wallner (0.10)	1.10
05/12/99	HOLMES	Pulled filings for P. Sloane and R. Regozin.	.50
05/12/99	PROOFREADER	Full read redlined complaint for R. Regozin	1.50
05/12/99	PROOFREADER	Checked revisions on billing statements for C. Westbrook	.50



GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/12/99	PROOFREADER	Full read of Complaint for R. Regozin	2.00
05/13/99	WESTBROOK	Proofed stmt, memo and cover ltr.	.20
05/13/99	KORPUS	T.Conf. & Conf. Regozin re auto. stay argument.	.60
05/14/99	REGOZIN	Read plaintiffs' Response to Supplemental Memo (0.30); finalize cor Saltman, Rutsky, Baio, Klein, Rosen, Harlfinger (0.30)	.60
05/14/99	KORPUS	T.Conf. T. Harvey re auto. stay research.	.30
05/14/99	AHMAD	Trip to USDC-SDNY to search for order filed in Lemmer v. Golden Books.	.50
05/16/99	SPIVAK	(1) Review and analyze plaintiffs' supplemental memo (0.80); (2) prepare memo re plaintiffs' supplemental memo and points for oral argument (1.00); (3) V.M. messages to and from Regozin and to Sloane (0.10)	1.90
05/17/99	WESTBROOK	Reviewed and revised stmt of fees and disb (.80); proofed changes to same (.20).	1.00
05/17/99	REGOZIN	Messages from Spivak re issues for oral argument and research (0.20); message to and tc's Korpus (2) re insolvency/bankruptcy issue (0.30); tc Harvey re research (0.10); work on memo re issues for oral argument	1.00

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		(0.40)	
05/17/99	SPIVAK	Conf. Regozin re plaintiffs' Supplemental Brief and points to raise in argument (0.50)	.50
05/17/99	SLOANE	prep for(1) and confs with client re strategy and options (2)	3.00
05/17/99	KORPUS	Review memo re auto. stay argument.	.50
05/17/99	HARVEY	Reading Plaintiffs' supplemental memo (0.5); reviewing cases cited by Plaintiffs in supplemental memo (1.5); research re: meaning of insolvency in bankruptcy context (2.5).	4.50
05/18/99	WESTBROOK	Revised memo (.20); prepared stmt of fees and disb for distribution.	.80
05/18/99	REGOZIN	Work on issues for oral argument (0.90); tc Harvey re research (0.20); conf Spivak re issues (0.30)	1.40
05/18/99	HARVEY	Continued research re: insolvency (1.5); drafted memorandum to M. Korpus re: insolvency research (1.5); research re: group pleading doctrine (2.0).	5.00
05/19/99	REGOZIN	Tc's (2) and message from Harvey re research re points for oral argument (0.30)	.30
05/19/99	SPIVAK	Work on oral argument outline and analysis of plaintiffs' cases (0.50)	.50

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/19/99	HARVEY	Drafted memorandum to R. Re- gozin re: group pleading re- search.	1.00
05/20/99	SPIVAK	(1) Revise oral argument outline (2.00); (2) read ad- ditional cases cited by plaintiffs and Harvey memo (1.00)	3.00
05/20/99	SLOANE	preparation for meeting with insurers by reviewing docu- ments and claims and prior correspondance with insurers (1.5) and meeting with in- surers (2); review of issues raised by pls counsel	4.00
05/20/99	SLOANE	prep for oral arg by reading all Second Cir. cases cited in brief (3); review of charts to be used at arg. (.5); review of latest Schwartz decisions (.5); conf with client re settle- ment issues and options we might pursue (1)	5.00
05/20/99	HARVEY	Additional research re: in- solvency and fraudulent transfers.	2.50
05/21/99	REGOZIN	Draft order for memo re oral argument (2.40); tc Harvey re research (0.10); messages from and to Spivak re rider (0.20)	2.70
05/21/99	SPIVAK	(1) T. call Ronen/Sloane re damage issues (0.10); (2) letter to Ronen re materials to facilitate analysis (0.30); (3) revise outline of oral argument and analy-	2.90

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		sis of plaintiffs' cases (2.50)	
05/21/99	SLOANE	conferences with Mr. Snyder re insurance aspects of litigation	1.00
05/21/99	HARVEY	Reviewed "Health Management" case and "Stratosphere" case re: group pleading.	.70
05/21/99	AHMAD	Trip to USDC-SDNY to search for order filed in Lemmer v. Golden Books.	.50
05/24/99	SPIVAK	Work on oral argument and use analysis.	1.50
05/24/99	SLOANE	prep for (.2) meeting with counsel for sr. noteholders re litigation status and de- velopments; attended meeting and briefed counsel for sr. noteholders on issues relat- ing to the litigation (2.3)	2.50
05/24/99	HARVEY	Updating research re: PSLRA cases in 2d cir. and S.D.N.Y.	.50
05/24/99	PROOFREADER	Checked revisions on Oral Argument Outline for L. Spivak	2.50
05/25/99	REGOZIN	Work on memo re oral argu- ment (5.30); tc and conf Harvey re research (0.20)	5.50
05/25/99	SPIVAK	Conference with Regozin re- garding Oral Argument, re- search issues (.50). Re- view/revise outline of Oral Argument (.50).	1.00
05/25/99	SLOANE	reviewed Schwartz opinions	7.30

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		(1); work on settlement scenarios and considered ways to obtain consent of all parties to settlement (2); reviewed insurer obligations under D&O policy and related issues re duty to settle (1); reviewed work of a potential expert (NAR and Ronin) and confs re same with client (1.5); review of issues re settling case in bankruptcy court and estimation options (1.8)	
05/25/99	HARVEY	Research re: materiality of omissions.	2.00
05/26/99	REGOZIN	Work on memo re oral argument including reading cases (8.50); tc and conf Harvey re research (0.20)	8.70
05/26/99	SLOANE	prep for (1) and meeting with pls counsel re issues, facts and law (2)	3.00
05/26/99	HARVEY	Research re: materiality of omissions (2.0); research re: materiality and effect on market price of stock (2.0).	4.00
05/27/99	REGOZIN	Revise memo re oral argument (3.70); conf Harvey re research (0.20)	3.90
05/27/99	HARVEY	Research re: shortening class period.	3.00
05/28/99	NGUYEN	Assisting Peter Sloane in legal research including the Internet re: Ansonia Associated Ltd and Public Service Mutual Insurance (N.Y.	.20

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		Appellate Division, First Dept., 5/28/1999)	
05/28/99	SLOANE	confs with Rosen (.1) re ex- perts; review of insurance issues (.9); confs with pls counsel and calls to client and Hyman (1)	2.00
		TOTAL FOR SERVICES	<u>240.90</u>

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

May, 1999

----- TIME RECAP -----  
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<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
HGS	SLOANE, H	520.00	34.80	18,096.00
LAS	SPIVAK, L	500.00	28.30	14,150.00
RLR	REGOZIN, R	488.00	72.30	35,282.40
MJK	KORPUS, M	452.00	2.60	1,175.20
TH	HARVEY, T	228.00	37.30	8,504.40
HHR	RICE, H	228.00	7.10	1,618.80
MC	CAHN, M	184.00	1.50	276.00
NJM	MARCANTONIO, N	184.00	.50	92.00
MH	HOLMES, M	168.00	22.70	3,813.60
QPN	NGUYEN, Q	168.00	.20	33.60
MD	DAVENPORT, M	108.00	.50	54.00
AA	AHMAD, A	100.00	3.00	300.00
CW	WESTBROOK, C	96.00	3.90	374.40
PRFRDRS	PROOFREADERS	88.00	26.20	2,305.60
	TOTAL		240.90	\$86,076.00

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

DISBURSEMENT SUMMARY

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	1,033.50
Lexis and Database Charges	72.16
Postage	10.89
Telephone Charges	.17
Court Reporters	298.12
Local Transportation	283.90
Velo Bind	22.50
Westlaw Searches	1602.75
Messenger Services	187.50
Word Processing	3,212.10
Overtime Meals	24.66
Color Printing	115.00
Data Bank Research	199.30
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$7,062.55

Exhibit C



July 19, 1999

TO: Golden Books Family Entertainment, Inc.  
Attn: Philip Galanes, Esq.  
Mr. Colin Finkelstein

FROM: Cahill Gordon & Reindel

RE: Statement of Fees and Disbursements for  
June, 1999

1. Cahill Gordon & Reindel ("CGR") hereby submits this statement of fees for services and related disbursements as special litigation counsel for the Debtors Golden Books Family Entertainment, Inc., et al., for the month of June, 1999. During the applicable period, Cahill Gordon & Reindel incurred total fees in the amount of \$80,565.60 at its usual and customary hourly rates and actual and necessary disbursements of \$3,387.03.

2. Exhibit "A" is a schedule listing all attorneys and paraprofessionals providing services for the estates, their respective billing rates, and the aggregate hours expended by such persons during the month of June, 1999.

3. Exhibit "B" provides a detailed accounting of services rendered, by category of services performed, itemized by the name of the person who rendered the service, the date of

service, the amount of time expended and a description of the services rendered.

4. Exhibit "C" is a schedule of disbursements incurred during the month of June, 1999 in connection with services performed by Cahill Gordon & Reindel for the estates, in the aggregate and by category of work performed.

5. During the applicable period, Cahill Gordon & Reindel provided legal services as special litigation counsel in the consolidated Lemmer and Green Fund class actions in the United States District Court for the Southern District of New York.

6. Cahill Gordon & Reindel customarily bills clients on a monthly basis for legal services rendered and expenses incurred. Charges for services are calculated based upon standard hourly rates and time devoted to such legal services.

LIST OF PROFESSIONALS, RATES AND AGGREGATE HOURS

NAME	POSITION	RATE	AGGREGATE HOURS	TOTAL FEES
Howard G. Sloane	Partner	520.00	58.70	30,524.00
Leonard A. Spivak	Partner	500.00	18.60	9,300.00
Roy L. Regozin	Partner	488.00	42.80	20,886.40
Marc J. Korpus	Senior Attorney	452.00	.10	45.20
Tammy Harvey	Associate	228.00	42.00	9,576.00
Eric Lipman	Summer Associate	204.00	6.00	1,224.00
Viktor V. Pregel	Summer Associate	204.00	40.90	8,343.60
Nicholas J. Marcantonio	Deputy Managing Attorney	184.00	.20	36.80
Michael Holmes	Paralegal	168.00	.50	84.00
Margaret J. Davenport	Head Librarian	108.00	.50	54.00
Abdul Ahmad	Paralegal	100.00	.50	50.00
Christine Westbrook	Paralegal	96.00	4.60	441.00
TOTAL			215.40	\$80,565.60

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
06/01/99	REGOZIN	Review expert damage analysis (0.20); conf Spivak (0.10) and tc Spivak and Ronan (0.20) re same	.50
06/01/99	SLOANE	prep for meeting with client re settlement issues (1); meeting with Snyder and Galanes re developments and strategy (1)	2.00
06/02/99	SLOANE	numerous confs with client re insurance (.90); review of recent decision and call from court re scheduling of oral arg. (1.10); conf with Chubb and client re status and meetings (.4); review of Judge's rules re argument and case citation (.6)	3.00
06/07/99	REGOZIN	Tc's Sloane (2) and messages to (2) and from Sloane re contract issues (0.30); conf Spivak re facts (0.10); review documents (1.00); IF re business (0.30); IL re breach of contract (0.50); tc's Harvey (2) re research re breach of contract (0.20); draft document (2.10)	4.50
06/07/99	SLOANE	prep for (.50) and meetings at Golden Books with Mr. Snyder and Mr. Galanes to review facts and background re comments in Vanity Fair article about internal controls(4.50)	5.00
06/07/99	HARVEY	Research re: breach of contract.	4.50
06/07/99	DAVENPORT	Assisting R. Regozin in database research (Westlaw/Lexis) regarding New York case law.	.50
06/08/99	REGOZIN	Message from Sloane re status, tel. c Sloane re open questions (0.10); tel. c Harvey re	4.20

GOLDEN BOOKS FAMILY ENTERTAINMENT  
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June, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		research (0.10); tel. c and message to Korpus re bankruptcy issues (0.10); reviewed documents (2.70); revised draft (1.20)	
06/08/99	SLOANE	confs with Wallner and with client re argument date (.50); review of arg outline and case law (1)	1.50
06/08/99	KORPUS	T.Confs (2x) Regozin re bankruptcy issues re insurance.	.10
06/08/99	HARVEY	Continued research re: breach of contract.	5.00
06/09/99	WESTBROOK	Tel cs. to Attorneys re: time records.	.10
06/09/99	REGOZIN	Message from Korpus, conf Korpus re bankruptcy issue (0.20)	.20
06/09/99	SLOANE	numerous confs with client and insurers re ins aspects of claim (1)	1.00
06/09/99	HARVEY	Continued research re: breach of contract (1.0); drafting memo of law to R. Regozin (1.0).	2.00
06/10/99	SLOANE	confs with Hyman and Gallanes re strategy issues (1); review of settlement strategy and avenues in light of estimation procedures (.70)	1.70
06/10/99	HARVEY	Continued research re: breach of contract.	3.00
06/11/99	WESTBROOK	Reviewed and revised stmt of fees and disb (1.4); sent memo to attnys re time records and guidelines (.30); prepared memo	2.00

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

June, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		and cover ltr (.30).	
06/13/99	HARVEY	Continued research re: breach of contract.	1.50
06/14/99	WESTBROOK	Reviewed and revised stmt of fees and disb.	1.00
06/14/99	REGOZIN	Read faxes (0.30); messages from and to (2) Harvey re research (0.20); messages from and to Sloane (several) re potential claim (0.30); read case re issue (0.60)	1.40
06/14/99	SLOANE	prep for and meetings with counsel for the pls at their offices re possible settlement (2); review of settlement procedures and rules re class issues (1); review of notice and information needed re TOPrs claims (1); meeting at Golden Books with clients re timing, insurance aspects of case and related questions of timing and strategy (2); review of class notice rules and discovery issues (1.2); review of Golden Books records for possible production to pls. (1.8)	8.00
06/14/99	SLOANE	meeting at Golden Books with Finkelstein re documents to produce(1) and review of selected documents (1)	2.00
06/14/99	HARVEY	Continued research re: breach of contract.	4.00
06/15/99	REGOZIN	Read cases re potential claim (4.80); read memo re liability (0.40); tc Harvey re research (0.20); messages from and to Sloane re document review (0.20); tc Saltman re same and	5.80

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

June, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		impact package of documents (0.20)	
06/15/99	HARVEY	Continued research re: breach of fiduciary duty (2.0) and breach of contract (3.0).	5.00
06/16/99	PREGEL	Review of complaint (1.7); review of case background (0.8); review of motion to dismiss (0.5); review of response to motion to dismiss (0.2).	3.20
06/16/99	REGOZIN	Prep and revise memo re potential claims (4.80); conf Harvey re case law re same (0.30); prep checklist for document review (0.40); conf Harvey re same (0.10); read excess policy (0.90)	6.50
06/16/99	SLOANE	conferences with client re settlement strategies (.30); preparation for oral argument on our motion to dismiss (1.7)	2.00
06/16/99	HARVEY	Reviewing documents - Board of Directors' meeting books.	2.00
06/17/99	WESTBROOK	Conf. w/M. Korpus re stmtnt of fees and disb.	.20
06/17/99	REGOZIN	Finalize memo re potential claim (0.90); revise draft complaint (0.80)	1.70
06/17/99	SLOANE	negotiations re settlement of case (1); review of documents to be produced in discovery (3); preparation for oral argument to be held on 6/24 re motion to dismiss, including review of cases and Second Circuit law as well as pls. briefs (3)	7.00

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

June, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
06/18/99	WESTBROOK	Reviewed and revised stmt of fees and disb(.60); prepared stmt of fees and disb for distribution (.70).	1.30
06/18/99	REGOZIN	Messages from (2) and to Sloane re document production (0.20); draft cor to Wallner re same (0.20)	.40
06/18/99	SPIVAK	(1) V.M's Sloane re settlement (0.10); (2) dictate letter re document confidentiality (0.10); (3) conference Regozin re document discovery (0.10).	.30
06/18/99	SLOANE	conferences with client re settlement issues and progress (1); conferences with counsel for plaintiffs re settlement issues, schedules and terms (1); review of class settlement procedures and rules (2); calls to Court and follow-up letter to Court and confirming same with Mr. Wallner (1)	5.00
06/21/99	PREGEL	Review of complaint (0.6); Review of document production (0.1); Document production at client offices (7)	7.70
06/21/99	REGOZIN	Review revised draft cor from Wallner re confidentiality and prep comments (0.30); message from Rutsky re insurance policies; cor Hodara re same (0.30); messages to and from Sloane re insurance policies and doc review (0.10); reviewed docs at Golden Books with Pregel and conferred with Finkelstein re same (7.00)	7.70
06/21/99	SPIVAK	(1) Review/revise M.O.U. re	.50



GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

June, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		settlement (0.30); (2) letter Galanes & Heyman (0.10); (3) review confidentiality letter (0.10).	
06/21/99	SLOANE	attended meetings at client (1); review of client files for docs. to produce to other side (1)	2.00
06/22/99	PREGEL	Document production at client offices.	3.00
06/22/99	REGOZIN	Reviewed docs at Golden Books with Pregel and Harvey and conferred with Saltman re same (4.80); tc Harvey re what docs already received (0.10); messages to and from Sloane and tc Finkelstein re production of docs to Wallner (0.20); prep instructions for copying services (0.40); check boxes of docs before sending to copying service including making redactions for privilege and eliminating duplicates and docs outside the time period (1.30); dict cor Wallner re non-waiver of privilege (0.20)	7.00
06/22/99	SPIVAK	T. confs. Wallner and Hyman re settlement M.O.U. (0.40)	.40
06/22/99	HARVEY	Reviewed documents to be produced to plaintiffs.	2.50
06/22/99	HARVEY	Took inventory of documents here at Cahill.	.50
06/23/99	PREGEL	Meeting w/ Peter Sloane and Roy Regozin re document production.	.50
06/23/99	REGOZIN	Finalize non-waiver letter (0.20); tc's Wallner (several) (0.10); draft cor Wallner re	2.90

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

June, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		documents (0.80); conf Sloane and Pregel re documents (0.30); check copies and reassemble docs (non-responsive, duplicative, redacted) for return to Saltman (1.30); tc's Janelle (2), Vincent, Saltman re return of original documents (0.20)	
06/23/99	SPIVAK	(1) T. calls Wallner and Hyman re terms of MOU (0.50); (2) confs. Sloane re settlement schedule (0.20); (3) letter Wallner re revisions to MOU (0.10); (4) confs. Regozin re discovery status (0.10)	.90
06/23/99	SLOANE	review of MOU (.50); confs with Galanes (.10); review of files of Mr. Snyder (1.4)	2.00
06/24/99	SPIVAK	(1) T. calls Saltman re discovery issues (0.10); (2) t. calls Hyman, Wallner re settlement terms (0.20); (3) read new Supreme Court case; t. calls Sloane and Wallner re case (0.40)	.70
06/24/99	SLOANE	review of issues re settlement in anticipation of conf call with client (.50); conf call with client re settlement issues (1); review of rules re settlement (.4); conf with client re deps of Snyder and Ferguson (.6)	2.50
06/24/99	MARCANTONIO	Diaried deposition dates received from Mr. Spivak.	.20
06/24/99	AHMAD	Trip to USDC-SDNY to search for order filed in Lemmer v. Golden Books.	.50

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

June, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
06/25/99	PREGEL	Preparation for deposition of Golden Books officers Snyder and Finkelstein.	6.10
06/25/99	SPIVAK	(1) T. call Saltman re toppers trading information (0.10); (2) conf. Becker and Azulay re trading info on toppers (0.10)	.20
06/25/99	SLOANE	review of documents in order to prepare for depositions of Finkelstein and Snyder (1.8); calls to Galanes re arrangements for depositions	2.00
06/25/99	HARVEY	Preparing witness files for Finkelstein and Snyder (7.0); preparing memorandum re: possible issues to arise in deposition of Snyder (1.5).	8.50
06/28/99	PREGEL	Research for memo on notice of settlement in class actions (5.6); meeting w/ Len Spivak re Snyder/Finkelstein depositions (1.0); review of documents for Finkelstein deposition (0.8).	7.40
06/28/99	SPIVAK	(1) Confs. Harvey and Pregel re documents (0.50); (2) review Snyder documents and arrange notes for deposition preparation (7.00)	7.50
06/28/99	HARVEY	Reviewing Snyder witness file (2.0); conference with L. Spivak and V. Pregal re: witness files (1.0).	3.00
06/29/99	LIPMAN	Finkelstein deposition preparation	6.00
06/29/99	PREGEL	Preparation of Colin Finkelstein for deposition.	6.20
06/29/99	SPIVAK	(1) Prepare and revise outline	4.90

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

June, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		for use in preparing R. Snyder for deposition (4.50); (2) t. calls Bank of N.Y. re toppers holders and letter requesting information (0.20); (3) t. calls Wallner re materials needed for deposition and re toppers (0.20)	
06/29/99	SLOANE	at Golden Books to prepare Mr. Finkelstein and to go over his documents to produce to pls counsel (3); review of financial data and facts (2)	5.00
06/29/99	HOLMES	Pulled file for L. Spivak.	.50
06/29/99	HARVEY	Research re: prospectus and market makers.	.50
06/30/99	PREGEL	Drafting of notice of settlement memo (4.0); research for notice of settlement memo. (2.8)	6.80
06/30/99	SPIVAK	(1) At client - conference re deposition preparation with Sloane, Snyder, Galanes, Finkelstein. (3.00); (2) VM's Wallner re deposition issues and scheduling. (0.20).	3.20

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

June, 1999

06/30/99	SLOANE	Meetings at client to prepare witnesses (Finkelstein and Snyder) for their depositions (6); review of possible settlement scenarios and MOU	7.00
		TOTAL FOR SERVICES	<hr/> 215.40

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

June, 1999

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
HGS	SLOANE, H	520.00	58.70	30,524.00
LAS	SPIVAK, L	500.00	18.60	9,300.00
RLR	REGOZIN, R	488.00	42.80	20,886.40
MJK	KORPUS, M	452.00	.10	45.20
TH	HARVEY, T	228.00	42.00	9,576.00
EL	LIPMAN, E	204.00	6.00	1,224.00
VP	PREGEL, V	204.00	40.90	8,343.60
NJM	MARCANTONIO, N	184.00	.20	36.80
MH	HOLMES, M	168.00	.50	84.00
MD	DAVENPORT, M	108.00	.50	54.00
AA	AHMAD, A	100.00	.50	50.00
CW	WESTBROOK, C	96.00	4.60	441.60
	TOTAL		215.40	\$ 80,565.60

DISBURSEMENT SUMMARY

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	403.55
Lexis and Database Charges	191.88
Postage	12.12
Telephone Charges	26.70
Local Transportation	241.10
Westlaw Searches	1,057.50
Messenger Services	117.00
Word Processing	1,286.25
Overtime Meals	50.93
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$3,387.03

Exhibit C

August 17, 1999

TO: Golden Books Family Entertainment, Inc.  
Attn: Philip Galanes, Esq.  
Colin Finkelstein

FROM: Cahill Gordon & Reindel

RE: Statement of Fees and Disbursements for  
July, 1999

1. Cahill Gordon & Reindel ("CGR") hereby submits this statement of fees for services and related disbursements as special litigation counsel for the Debtors Golden Books Family Entertainment, Inc., et al. for the month of July, 1999. During the applicable period, Cahill Gordon & Reindel incurred total fees in the amount of \$61,979.20 at its usual and customary hourly rates and actual and necessary disbursements of \$7,580.59.

2. Exhibit "A" is a schedule listing all attorneys and paraprofessionals providing services for the estates, their respective billing rates, and the aggregate hours expended by such persons during the month of July, 1999

3. Exhibit "B" provides a detailed accounting of services rendered, by category of services performed, itemized by the name of the person who rendered the service, the date of



service, the amount of time expended and a description of the services rendered.

4. Exhibit "C" is a schedule of disbursements incurred during the month of July, 1999 in connection with services performed by Cahill Gordon & Reindel for the estates, in the aggregate and by category of work performed.

5. During the applicable period, Cahill Gordon & Reindel provided legal services in the consolidated Lemmer and Green Fund class actions.

6. Cahill Gordon & Reindel customarily bills clients on a monthly basis for legal services rendered and expenses incurred. Charges for services are calculated based upon standard hourly rates and time devoted to such legal services.

LIST OF PROFESSIONALS, RATES AND AGGREGATE HOURS

<u>NAME</u>	<u>POSITION</u>	<u>RATE</u>	<u>AGGREGATE HOURS</u>	<u>TOTAL FEES</u>
Howard G. Sloane	Partner	520.00	43.00	22,360.00
Leonard A. Spivak	Partner	500.00	32.20	16,100.00
Roy L. Regozin	Partner	488.00	34.70	16,933.60
Agnelo Azulay	Director of Corporate Research	260.00	0.20	52.00
Eric Lipman	Summer Associate	204.00	2.20	448.80
Viktor V. Pregel	Summer Associate	204.00	25.00	5,100.00
Margaret J. Davenport	Head Librarian	108.00	.20	21.60
Abdul Ahmad	Paralegal	100.00	1.00	100.00
Christine Westbrook	Paralegal	96.00	<u>4.50</u>	<u>432.00</u>
Proofreaders	Parapro- fessionals	88.00	<u>4.90</u>	<u>431.20</u>
			147.90	\$61,979.20

GOLDEN BOOKS FAMILY ENTERTAINMENT  
(DIP) SECURITIES LIT

July, 1999

FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
07/01/99	PREGEL	Drafting of memo on notice to class members	2.00
07/01/99	SPIVAK	(1) V.M.'s Sloane, t. calls Saltman and t. call Jeffries re toppers trading data (0.20); (2) t. calls and letter Rosen re settlement status (0.10)	.30
07/01/99	AHMAD	Trip to USDC-SDNY to search for order filed in Lemmer v. Golden Books. (AA)	.50
07/02/99	LIPMAN	Finkelstein Deposition Preparation.	2.20
07/02/99	PREGEL	Preparation for deposition of Colin Finkelstein	2.50
07/02/99	SLOANE	prep for meeting with Finkelstein by reading docs and witness files which contain documents he saw or was copied on (2); review of Wallner correspondance (.20); prep of Mr. Finkelstein for his deposition (5.8)	8.00
07/06/99	PREGEL	Attendance at Finkelstein deposition	8.00
07/06/99	SPIVAK	(1) Deposition of Colin Finkelstein (6.00); (2) prep. of R. Snyder for deposition (1.50)	7.50
07/06/99	SLOANE	prep for (1) and dep of Finkelstein (7)	8.00

Exhibit B

July, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
07/07/99	WESTBROOK	Tel cs. to Attorneys re time records	.10
07/07/99	SPIVAK	Deposition of Richard Snyder (6.00)	6.00
07/07/99	SLOANE	defense of Snyder at his deposition	6.00
07/08/99	SPIVAK	(1) T. calls Wallner and Kauffman re Toprs info (0.10); (2) t. call M. Lynch re Toprs (0.10); (3) read/review/revise draft of Settlement Agreement (2.80)	3.00
07/09/99	PREGEL	(1.6) Review of settlement; (0.5) re-write of memo on notice to class	2.10
07/09/99	SPIVAK	(1) T. call Bauer re Settlement Agreement (0.10); (2) letter Bauer re Agreement (0.40); (3) mark-up of Agreement and draft of inserts (3.00); (4) letter Chubb re funding cost of notice (0.10); (5) t. calls Kauffman and M. Lynch re Toprs (0.10)	3.70
07/12/99	WESTBROOK	Reviewed and revised stmt of fees and disb.	1.50
07/12/99	PREGEL	(2.2) Review of settle- ment; (0.5) revise memo on notice to class	2.70
07/12/99	SPIVAK	(1) Conf. call M/L and Milberg re Toprs (0.20); (2) t. call B.O.N.Y. re	.60

July, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		Toprs (0.10); (3) confs. Regozin and Sloane re status, to-do settlement items and release issue (0.10); (4) t. call Hyman re release/indemnification issue (0.10); (5) conf. V. Pregel re notice issues (0.10)	
07/12/99	SLOANE	review of settlement agreements	1.00
07/13/99	REGOZIN	Tc's Gilardi (2), Gilardi & Spivak re identification of class members (0.30)	.30
07/13/99	SPIVAK	(1) Letter Bauer re expediting settlement document preparation (0.10); (2) t. call Wallner re settlement document issues and expedition (0.10); (3) t. conf. Regozin and claims administrator (0.10); (4) t. call B.O.N.Y. re Toprs (0.10); (5) V.M.'s Sloane re status (0.10); (6) letter to Hyman and Galanes re status and coordination with Bankruptcy Plan (0.30)	.80
07/14/99	WESTBROOK	Conf w/M. Korpus re stmnt of fees and disb.	.10
07/14/99	SPIVAK	(1) Conf. call Sloane, Hyman, Galanes re settlement terms (0.20); (2) review revised settlement stip (1.00); (3) conf. Regozin re status and to do items on	1.40

July, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		settlement (0.10); (4) V.M. Sloane re settlement terms (0.10)	
07/14/99	PROOFREADERS	Checked revisions on Bills for C. Westbrook	.70
07/15/99	REGOZIN	Tc's Sloane (2), mesages to and from Sloane, Bauer (2), message to Spivak, Wallner (2), Saltman (several), Rutsky all re settlement papers (0.60); fax to Rutsky re same (0.10); cor Galanes re same (0.20)	.90
07/15/99	DAVENPORT	Ownership/Sales/Purchases re: Golden Books/Bernstein for Sloane	.20
07/16/99	WESTBROOK	Reviewed and revised stmnt of fees and disb (.50); proofread changes to same (.30)	.80
07/16/99	REGOZIN	Tc's Sloane & Wallner, Spivak & Wallner re trigger provision (0.20); conf Spivak, review documents re securities and draft language re trigger (0.80); tc Bauer, conf Spivak, revise language (0.30); draft cor Galanes re same (0.20)	1.50
07/16/99	SPIVAK	(1) Confs. Sloane re procedure in approaching Court (0.10); (2) T. calls, Wallner, Bauer re revisions to settlement documents (0.20); (3) Conf. Regozin re Trigger	.50

July, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		provision (0.10); (4) Letter Galanes re Trigger provision (0.10)	
07/16/99	SLOANE	confs with Wallner re settlement issues (.20); review of settlement agreements (1.8); conf with Snyder (1)	3.00
07/16/99	SLOANE	review of issues re insurance coverage (2), including review of policy and claims issues; review of litigation posture and options in light of possible resumption of litigation (4)	6.00
07/17/99	SPIVAK	Word for word review of revised settlement documents and notice for Monday; t. calls with plaintiffs' counsel and client	2.00
07/19/99	WESTBROOK	Reviewed and revised stmnt of fees and disb (1.0); prepared cover letter, memo and stmnt of fees and disb for distribution (1.0)	2.00
07/19/99	SPIVAK	(1) T. calls Bauer re revisions to settlement docs. (0.50); (2) t. call Hyman re acceptable language describing conditional nature of settlement (0.10); (3) t. call Galanes and Snyder re opt-out and insurance issues (0.10); (4) confs. Sloane re status and to do	1.20

July, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		(0.20); (5) t. call Court chambers re procedure (0.10); (6) confs. Regozin re status and to do in my absence (0.20)	
07/20/99	REGOZIN	Tc's Bauer (2) (0.10), messages to and from Sloane (0.10), tc's Spivak (2) (0.10), Sloane (2) (0.10)-all re settlement; review draft cor to Judge Schwartz (2) re same (0.30); review changes to settlement docs (2) (0.20)	.90
07/20/99	SLOANE	consideration of opt out issue (1); confs with client re options to pursue in light of insurer position on releases (.50); review of bankruptcy issues re litigation options (1.50)	3.00
07/21/99	REGOZIN	Work on changes to draft letter to Judge Schwartz (0.60); tc's Bauer (several) (0.40), Sloane (several), conf Sloane (0.20) re same; cor Hyman re proposed schedule (0.30); cor Galanes et al. re revised settlement papers (0.20); review changes to settlement docs (0.30); tc Rutsky re comments re settlement docs (0.20); check coverage issue (0.40)	2.60
07/22/99	REGOZIN	Work on coverage issues (0.50); conf Sloane re same (0.10); work on	4.40



July, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		indemnification issue (2.80); tc's Sloane, Bauer re Rutsky comments on settlement papers (0.20); review cor from Bank of New York re TOPRs (0.10); tc Bauer and fax Bauer and Gilardi re same (0.20); review cor from Chubb re release (0.20); conf Sloane re same (0.10); tc's Rutsky (2) re additional comments re settlement papers (0.20)	
07/22/99	AZULAY	For Regozin Indemnity Resol	.20
07/23/99	REGOZIN	Work on revisions to proposed Chubb release (4.40); messages to and from Sloane re same (0.20); tc Vincent and review coverage material (0.20)	4.80
07/23/99	PROOFREADERS	Input Agreement for R. Regozin	2.00
07/23/99	PROOFREADERS	Full read Settlement Agreement for R. Regozin	1.00
07/26/99	PREGEL	Read of Snyder deposition transcript for inconsistencies	5.50
07/26/99	REGOZIN	Work on Chubb release (3.80); confs Spivak re same (0.20); work on indemnification issue (0.30); conf Spivak re same (0.10)	4.40
07/26/99	SPIVAK	(1) Confs. Regozin re	1.10

July, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		indemnification, insurance and settlement issues (0.50); (2) t. call Rosen re settlement funding issues (0.10); (3) draft amendments to settlement documents (0.30); (4) confs. Sloane re release and indemnification issues (0.20)	
07/26/99	SLOANE	meetings at Golden Books to review issues raised by Chubb position (2)	2.00
07/27/99	PREGEL	Read of Finkelstein deposition transcript for inconsistencies	2.20
07/27/99	REGOZIN	Work on changes to draft Chubb release (3.90); draft and revise resolutions re settlement and indemnification (2.80); confs Spivak re provisions in settlement stipulation (0.10); tc Rutsky and Hahn & Spivak re indemnification under the plan of reorganization for claims by persons who opt out of the class action (0.20)	7.00
07/27/99	SPIVAK	(1) Draft letter for Galanes to individual defendants re status and requirements for settlement (1.00); (2) t. calls plaintiffs' counsel and Proskauer re changes to settlement docs. and status (0.30); (3) review/revise draft of	1.50

July, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
		corporate resolutions (0.20)	
07/27/99	PROOFREADERS	Full read Agreement and Release for R. Regozin	.70
07/27/99	PROOFREADERS	Checked revisions on Letter for L. Spivak	.50
07/28/99	REGOZIN	Tc's Hahn(2), Marcantonio (2) re class action securities litigation filings (0.20); revise draft cor to individual defendant re settlement (0.50); draft cor to Court re status of settlement (0.40)	1.10
07/28/99	SPIVAK	(1) T. calls Sloane re insurance, indemnification and settlement issues (0.30); (2) t. call Saltman and letter insurance company re opt- out coverage (0.20); (3) confs. Regozin re indemnification issues (0.20); (4) t. conf. Kamin re release/indemnification issues (0.10); (5) revisions to Galanes letter to defendants re status, settlement issues (0.30); (6) t. calls Wallner re communication with Judge Schwartz re status (0.10)	1.20
07/28/99	SLOANE	prep for (.20) and confs with client at Golden Books re developments, releases and options (3.8)	4.00

July, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
07/29/99	REGOZIN	Work on coverage issue (3.70); draft cor to Reliance (0.90); conf Spivak, tc Sloane re same (0.30)	4.90
07/29/99	SPIVAK	(1) Draft letter to Judge Schwartz re status (0.20); (2) confs. Sloane and Regozin re settlement/ insurance issues (0.20)	.40
07/29/99	SLOANE	review of settlement agreement(.80); confs with insurers (.20); confs with Snyder and Gallanes re strategy and developments (1)	2.00
07/30/99	REGOZIN	Finalize cor Monteleone (0.20); review draft papers from Proskauer to obtain approval of settlement by Bankruptcy Court (1.00); tc Rutsky and Spivak re same (0.20); work on coverage issue (0.50)	1.90
07/30/99	SPIVAK	(1) Read/review Proskauer draft of motion for Bankruptcy Court approval of settlement (0.50); (2) confs. Regozin re Bankruptcy motion (0.20); (3) t. call Regozin and Rutsky re Bankruptcy Court motion (0.20); (4) confs. Regozin/Sloane re insurance issues (0.10)	1.00

July, 1999

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
07/30/99	AHMAD	Trip to USDC-SDNY to deliver Mr. Sloan's letter to Judge Schwartz in Lemmer v. Golden Books (AA)	.50
TOTAL FOR SERVICES			<hr/> \$61,979.20

July, 1999

----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
HGS	SLOANE, H	520.00	43.00	22,360.00
LAS	SPIVAK, L	500.00	32.20	16,100.00
RLR	REGOZIN, R	488.00	34.70	16,933.60
AA	AZULAY, A	260.00	.20	52.00
EL	LIPMAN, E	204.00	2.20	448.80
VP	PREGEL, V	204.00	25.00	5,100.00
MD	DAVENPORT, M	108.00	.20	21.60
AA	AHMAD, A	100.00	1.00	100.00
CW	WESTBROOK, C	96.00	4.50	432.00
SH	HALPERN, S	88.00	4.90	431.20
	TOTAL		147.90	\$61,979.20

July, 1999

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	2,201.56
Courier Service	77.00
Lexis and Database Charges	365.50
Postage	6.28
Telephone Charges	.85
Court Reporters	1,472.90
Local Transportation	745.88
Exhibit Tabs	1.50
Rapifax	6.25
Westlaw Searches	24.14
Messenger Services	175.50
Word Processing	1,902.75
Overtime Meals	9.28
Color Printing	590.00
Data Bank Research	1.20
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$7,580.59

Exhibit C

September 17, 1999

TO: Golden Books Family Entertainment, Inc.  
Attn: Philip Galanes, Esq.  
Colin Finkelstein

FROM: Cahill Gordon & Reindel

RE: Statement of Fees and Disbursements for period from  
August 1, 1999 through September 1, 1999.

1. Cahill Gordon & Reindel ("CGR") hereby submits this statement of fees for services and related disbursements as special litigation counsel for the Debtors Golden Books Family Entertainment, Inc., et al. for the period from August 1, 1999 through September 1, 1999. During the applicable period, Cahill Gordon & Reindel charged total fees in the amount of \$31,488.00 at its usual and customary hourly rates and incurred actual and necessary disbursements of \$2,239.43.

2. Exhibit "A" is a schedule listing all attorneys and paraprofessionals providing services for the estates, their respective billing rates, and the aggregate hours expended by such persons during the period from August 1, 1999 through September 1, 1999.

3. Exhibit "B" provides a detailed accounting of services rendered, itemized by the name of the person who ren-



dered the service, the date of service, the amount of time expended and a description of the services rendered.

4. Exhibit "C" is a schedule of disbursements incurred during the period from August 1, 1999 through September 1, 1999 in connection with services performed by Cahill Gordon & Reindel as special litigation counsel for the Debtors.

5. During the applicable period, Cahill Gordon & Reindel provided legal services relating to the consolidated Lemmer and Green Fund class actions.

6. Cahill Gordon & Reindel customarily bills clients on a monthly basis for legal services rendered and expenses incurred. Charges for services are calculated based upon standard hourly rates and time devoted to such legal services.

LIST OF PROFESSIONALS, RATES AND AGGREGATE HOURS

NAME	POSITION	RATE	AGGREGATE HOURS	TOTAL FEES
Howard G. Sloane	Partner	520.00	23.00	11,960.00
Leonard A. Spivak	Partner	500.00	12.40	6,200.00
Roy L. Regozin	Partner	488.00	20.80	10,150.40
Tammy Harvey	Associate	228.00	10.00	2,280.00
Nicholas J. Marcantonio	Deputy Managing Attorney	184.00	.40	73.60
Abdul Ahmad	Paralegal	100.00	1.00	100.00
Val Kleyman	Paralegal	92.00	5.00	460.00
Proofreaders	Paraprofes sionals	88.00	<u>3.00</u>	<u>264.00</u>
TOTAL			75.60	\$31,488.00

## FOR PROFESSIONAL SERVICES RENDERED

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
08/02/99	HARVEY	Research re: duty to defend.	1.50
08/02/99	AHMAD	Trip to USDC-SDNY to search for order filed in Lemmer v. Golden Books.	.50
08/03/99	REGOZIN	Work on Chubb release (1.30); conf Spivak re changes to Stip (0.20); prep riders to Stip (1.70); fax to Bauer, tc Bauer re same (0.10); tc Harvey re research on coverage issue (0.20)	3.50
08/03/99	SPIVAK	(1) Conf. Regozin re Amendments to settlement papers (0.40); (2) V.M.'s Sloane re status and scheduling (0.10); (3) letter and t. calls Rosen re Chubb release (0.20)	.70
08/03/99	SLOANE	continued negotiations re opt out issues (1); review of opt out policies and rights (1)	2.00
08/03/99	HARVEY	Research re: excess insurance.	4.50
08/04/99	REGOZIN	Tc Spivak and Rosen re release (0.20); revise release (0.70); review changes to Stip and other settlement docs (0.60); cor Galanes re settlement docs (0.30); review D&O proposal (0.30); message to and conf with Sloane re same (0.30); read cases re coverage issues (0.90)	3.30
08/04/99	SPIVAK	(1) Confs. Regozin and t. call Rosen re changes in mutual release (0.40); (2) read proposal for additional insurance for opt-outs (0.10)	.50
08/04/99	SLOANE	work on Chubb release revisions (1); review of term sheet and new draft of settlement papers (1)	2.00
08/04/99	HARVEY	Research re: excess insurance.	4.00

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
08/05/99	REGOZIN	Complete revision of Chubb release (0.30); prepare comments on settlement docs changes (0.30); review cor from Reliance (0.20); conf Spivak re same and re coverage issue (0.10); tc Harvey re coverage issue (0.10)	1.00
08/05/99	SPIVAK	(1) Review new draft of motion to Bankruptcy Court (0.80); (2) draft memo re possible modification of settlement terms (0.50); (3) confs. Sloane, Regozin, Hyman re proposed revision of settlement terms (0.20)	1.50
08/05/99	SLOANE	conf with client re settlement issues (1); review of ins issues and draft policies (2)	3.00
08/06/99	REGOZIN	Review revised bankruptcy application re approval of settlement (1.20); conf Spivak re comments (0.20); tc Rutsky re Cahill comments (0.60); tc Bauer re changes to settlement papers and message to Bauer re same (0.20)	2.20
08/06/99	SPIVAK	(1) Conf. call Snyder, Galanes, Sloane, Hyman re status and strategy (0.50); (2) conf. Regozin re Bankruptcy Court motion to approve settlement (0.50); (3) preliminary review of insurance/opt out issues (0.20); (4) draft and revise letter to Judge Schwartz; V.M. Sloane (0.20); (5) t. call Wallner re letter to Judge Schwartz (0.10)	1.50
08/06/99	SLOANE	conf call with client re developments in litigation and settlement issues (1)	1.00

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
08/06/99	AHMAD	Delivery of letter of CG&R to Judge Schwartz from Mr. Sloane. (MH)	.50
08/07/99	SPIVAK	(1) Analysis of insurance issues re opt outs and potential derivative claims (0.50); (2) memo to Sloane (0.60)	1.10
08/08/99	PROOFREADER	Full read Memorandum for L. Spivak (Walsh/Moon)	2.00
08/09/99	REGOZIN	Revise memo re coverage issues, including review of documents relating thereto (3.40); confs Spivak (2) re same (0.10); tc's Sloane & Spivak (0.10), Spivak, Rosen (3) (0.20) re release; cor Rosen re release (0.30); tc's Bauer re changed pages in settlement papers (0.10); conf Spivak re comments re settlement papers (0.10)	4.30
08/09/99	SPIVAK	(1) T. calls Sloane re settlement negotiations (0.30); (2) conf. Regozin and revise memo on insurance issues (0.20); (3) letter Rosen re changed papers (0.10); (4) final read of settlement papers and conf. Regozin (2.00)	2.60
08/09/99	SLOANE	meetings with pls counsel re settlement (2); review of settlement drafts and releases (2); confs with client re options re opt out class members (1)	5.00

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
08/10/99	REGOZIN	Tc's Chubb (Bart) (2), Rosen (2) re release (0.20); tc Bauer re changes to settlement papers (0.30); review changes made to settlement papers (0.30); review changes to motion papers in Bankruptcy Court and prepare further comments (1.20); review and revise draft cor to Judge Schwartz re settlement (0.40)	2.40
08/10/99	SPIVAK	(1) Confs. Regozin and V.M. Sloane re settlement issues (0.30); (2) t. call Galanes re settlement issues (0.10)	.40
08/11/99	REGOZIN	Tc's Bauer re settlement papers, Rutsky re motion to approve settlement (0.20); assemble docs to fax to Rutsky (0.20); tc's Rosen re release, Sloane re settlement papers (0.10)	.50
08/11/99	SPIVAK	(1) T. call Galanes and Hyman re status (0.10); (2) dictate memo on Hyman and Galanes t. call (0.10); (3) conf. Regozin and V.M.'s Sloane re status of settlement arrangements (0.10)	.30
08/12/99	REGOZIN	Tc's Baio and messages to Sloane & Spivak re same (0.10), Rosen re release (0.20); revise release (0.30); message from Sloane, message to Sloane & Spivak re settlement (0.10)	.70
08/13/99	REGOZIN	Tc Rosen re release (0.20); message to and from Sloane and conf Spivak re same (0.10)	.30

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
08/13/99	SPIVAK	(1) Confs. Sloane re settlement issues (0.10); (2) conf. call Sloane and Goldstein (Chubb) (0.10); (3) conf. Regozin re status and settlement issues (0.10); (4) t. call Wallner re status (0.10)	.40
08/16/99	REGOZIN	Tc Rutsky & Spivak re revising papers re settlement (0.10)	.10
08/16/99	SPIVAK	(1) V.M.'s Sloane re status of discussions with Chubb re opt outs (0.10); (2) t. calls Bauer re communication with Court (0.10); (3) t. call Biao and memo re signing release (0.10); (4) confs. Regozin re motion to Bankruptcy court (0.10)	.40
08/16/99	SLOANE	prep for (.50) and meetings with client at client to discuss opt out issues, settlement scenarios and claims and defenses of suit (5); review of settlement papers in final form (2.5)	8.00
08/17/99	REGOZIN	Review fax re changes to Application for Bankruptcy Court approval of settlement (0.30); conf Spivak and tc Rutsky re same (0.10); message from Rutsky re changes to Application; conf Spivak and tc Spivak & Rutsky re same (0.20); cor Rutsky re settlement agreement (0.10)	.70

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
08/17/99	SPIVAK	(1) Conf. call Sloane and Wallner re communication with Court (0.10); (2) letter Galanes enclosing settlement stip. as filed (0.10); (3) conf. call Court Clerk (0.10); (4) conf. call Regozin and Rutsky re papers to be filed with Bankruptch Court (0.10); (5) conf. Regozin re Bankruptcy Court papers and edit memo to file (0.10)	.50
08/17/99	SLOANE	confs re settlement issues with Wallner (1); review of questions re appeal of decision by non-objectors (1)	2.00
08/18/99	KLEYMAN	Made adjustments to the billing statement.(.50) Proofread the changes made on the stmnt of fees and disb.(.50)	1.00
08/18/99	REGOZIN	Review insurance proposal (0.40); conf Spivak re same (0.30)	.70
08/18/99	SPIVAK	(1) Review new insurance terms (0.30); (2) confs. Regozin and Sloane re new insurance terms (0.20); (3) t. conf. Broker and Sloane (0.10)	.60
08/18/99	PROOFREADER	Checked revisions on Invoices for V. Kleyman	1.00
08/19/99	KLEYMAN	Reviewed and revised stmnt of fees and disb (1.0), drafted a memo and a cover letter (.50)	1.50
08/19/99	REGOZIN	Review fax re revised plan modifications (0.20); message to Rutsky, tc Rutsky re comments on fax (0.10)	.30
08/19/99	SPIVAK	(1) Conf. call insurance broker and Sloane re new Chubb policy; (2) t. calls Rutsky and Cawthra re Court signing of documents	.20



<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
08/19/99	MARCANTONIO	Review and processing of documents in connection with settlement and procedures.	.20
08/20/99	KLEYMAN	Made photocopies of documents and revised of stmt of fees and disb(1.20), made changes to memo(.30), proofread stmt for changes(.50), varified the distribution list(.10), organized the distribution of documents to appropriate parties(.90).	2.50
08/23/99	MARCANTONIO	Diariied settlement hearing and related dates.	.20
08/24/99	REGOZIN	Confs Spivak (2), tc Bauer re Supplemental Agreement (0.10)	.10
08/27/99	REGOZIN	Revise fax re insurance (0.30); conf Spivak re same (0.10); tc Spivak and broker re same (0.20)	.60
08/27/99	SPIVAK	(1) T. call Finkelstein re timing Q's (0.10); (2) read new revised insurance proposal (0.20); (3) conf. Regozin re proposal (0.10); (4) t. conf. brokers re new proposal (0.10); (5) V.M. Galanes and Sloane re proposal (0.10)	.60
08/30/99	REGOZIN	Tc's Rutsky (2); conf Spivak re Supplemental Agreement (0.10)	.10
08/31/99	SPIVAK	T. call Saltman re insurance issues	.10
09/01/99	SPIVAK	Attendance at Bankruptcy Ct.; (2) conf. hearing and confs. with P's counsel re status of procedures for settlement (1.00)	1.00
TOTAL FOR SERVICES			\$31,488.00

GOLDEN BOOKS FAMILY ENTERTAINMENT

August 1, 1999-  
September 1, 1999

(DIP) SECURITIES LIT

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----- TIME RECAP -----

<u>INIT</u>	<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
HGS	SLOANE, H	520.00	23.00	11,960.00
LAS	SPIVAK, L	500.00	12.40	6,200.00
RLR	REGOZIN, R	488.00	20.80	10,150.40
TH	HARVEY, T	228.00	10.00	2,280.00
NJM	MARCANTONIO, N	184.00	.40	73.60
AA	AHMAD, A	100.00	1.00	100.00
VK	KLEYMAN, V	92.00	5.00	460.00
RF	FINNEGAN, R	88.00	1.00	88.00
GW	WALSH, G	88.00	2.00	176.00
	TOTAL		75.60	\$ 31,488.00

GOLDEN BOOKS FAMILY ENTERTAINMENT

August 1, 1999-  
September 1, 1999

(DIP) SECURITIES LIT

PAGE 10

<u>DISBURSEMENTS AND CHARGES</u>	<u>AMOUNT</u>
Xeroxing	329.10
Local Transportation	27.00
Postage	4.19
Telephone Charges	.84
Local Transportation	79.72
Exhibit Tabs	5.60
Rapifax	58.75
Westlaw Searches	284.23
Messenger Services	152.00
Word Processing - NY	1,298.00
	<hr/>
TOTAL DISBURSEMENTS AND CHARGES	\$2,239.43

Exhibit C

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x  
:  
: (Chapter 11)  
:  
In re: : Case. Nos. 99-10030  
: (TLB) Through 99-10032  
GOLDEN BOOKS FAMILY : (TLB)  
ENTERTAINMENT, INC., et al., :  
: (Jointly Administered)  
Debtors. :  
: AFFIDAVIT OF SERVICE  
:  
:  
:  
:  
-----x

STATE OF NEW YORK )  
: ss.:  
COUNTY OF NEW YORK )

ROBERT R. CAWTHRA, being duly sworn, deposes and  
says:

1. I am over the age of 18 years and not a party to  
this action.
2. On the 24th day of September, 1999 I served the  
annexed FINAL APPLICATION OF CAHILL GORDON & REINDEL upon:

Golden Books Family Entertainment,  
Inc.  
888 Seventh Avenue  
New York, NY 10106  
Attn: Philip Galanes, Esq.

The Office of the United States Trustee  
33 Whitehall Street  
21st Floor  
New York, NY 10004  
Attn: Paul Schwartzberg, Esq.

Proskauer Rose LLP  
1585 Broadway  
New York, NY 10036  
Attn: Scott K. Rutsky, Esq.

by causing true and correct copies thereof to be hand delivered to the offices of the above-mentioned attorneys.

Robert R. Cawthra  
ROBERT R. CAWTHRA

Sworn to before me this  
24th day of September, 1999

/s/ Nicholas J. Marcantonio  
Notary Public