

Brooks Pierce, McLendon, Humphrey & Leonard, L.L.P.
 Post Office Box 26000
 Greensboro, North Carolina 27420
 H. Arthur Bolick II
 (336) 373-8850

UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK

-----X
 In re: : Chapter 11
 : Case No. 02-40667(BRL)
 GUILFORD MILLS, INC., *et al.*, :
 :
 : (Jointly Administered)
 Debtors. :
 -----X

**FINAL APPLICATION OF BROOKS PIERCE, McLENDON, HUMPHREY &
 LEONARD, L.L.P. AS ORDINARY COURSE PROFESSIONALS FOR THE DEBTORS
 FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
 FOR SERVICES INCURRED DURING THE PERIOD COMMENCING
 MARCH 13, 2002 THROUGH SEPTEMBER 30, 2002**

Name of Applicant:	Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P.
Authorized to Provide Professional Service to :	Debtors
Date of Retention Order:	April 16, 2002
Period for which compensation and reimbursement is sought:	March 13, 2002, through September 30, 2002

Amount of Compensation sought as actual, reasonable, and necessary: ¹	\$ 220,549.50
Amount of Expenses sought as actual, reasonable, and necessary: ¹	\$ 11,213.95
This is an ___ interim application	<u> X </u> final application
Total fees previously requested:	\$0.00
Total fees received to date:	\$78,786.05
Total actual, reasonable, and necessary expense reimbursement previously requested:	\$0.00
Total actual, reasonable, and necessary expense reimbursement received to date:	\$11,213.95

* Included in the amount of \$220,549.50 is the time expended during the First Application Period (as defined below) related to employment and fee applications, pro hac vice motion, and initial work on this Application (as defined below). The time expended is 1163.70 hours for attorneys and 89.65 hours for clerk/paralegal (for a total of 1253.35 hours).

¹Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P. reserves the right to supplement this application with fees and expenses not yet accounted for or processed in its accounting system at the time of filing this Application.

Brooks Pierce, McLendon, Humphrey & Leonard, L.L.P.
Post Office Box 26000
Greensboro, North Carolina 27420
H. Arthur Bolick, II

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
:
In re: : Chapter 11
:
:
GUILFORD MILLS, INC., *et al.*, :
:
:
:
Debtors. : (Jointly Administered)
-----X

**FINAL APPLICATION OF BROOKS PIERCE, McLENDON, HUMPHREY &
LEONARD, L.L.P. AS ORDINARY COURSE PROFESSIONALS FOR THE DEBTORS
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR SERVICES INCURRED DURING THE PERIOD COMMENCING
MARCH 13, 2002 THROUGH SEPTEMBER 30, 2002**

**TO THE HONORABLE BURTON R. LIFLAND,
UNITED STATES BANKRUPTCY JUDGE:**

BROOKS PIERCE, McLENDON, HUMPHREY & LEONARD, L.L.P., (“Brooks Pierce”), as an ordinary course professional for Guilford Mills, Inc., *et al.*, debtors and debtors in possession herein (the “Debtors”), as and for its final application for allowance of compensation for professional services rendered during the period commencing March 13, 2002, the date these chapter 11 cases were commenced, through September 30, 2002, and for reimbursement of expenses incurred in connection with such services (the “Application”), respectfully shows this Honorable Court that:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the Southern District of New York (the "Court") has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

FEES AND EXPENSES FOR WHICH ALLOWANCE IS SOUGHT

2. This Application is made by Brooks Pierce pursuant to sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code") and Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Local Bankruptcy Rules of the Southern District of New York ("Local Rules") Court Orders, and the United States Trustee Guidelines ("UST Guidelines").

3. Under the Court's Administrative Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Compensation and Reimbursement of Expenses of Professionals signed on January 17, 2002, (the "Fee Order"), all professionals retained by the Debtors, in addition to submitting Monthly Fee Statements, shall serve and file with the Court, an application for final Court approval and allowance, pursuant to Sections 330 and 331 of the Bankruptcy Code, of the compensation and reimbursement of expenses requested.

4. Brooks Pierce seeks allowance of compensation for services rendered to the Debtors in the aggregate amount of \$220,549.50 (less amounts received as of the date of the hearing), and for reimbursement of actual and necessary expenses and costs incurred in connection with such services in the aggregate amount of \$11,213.95² (less amounts received as

² Reimbursement of some of the charges and disbursements incurred during the First Application Period but not included in Exhibit C may be sought in the future if Brooks Pierce has not received the invoices for costs incurred or was not able to process such charges for inclusion in this Application.

of the date of the hearing).

5. The fees and expenses sought by Brooks Pierce, except to the extent prohibited by the UST Guidelines and the Bankruptcy Rules, are in accordance with the Retention Order (as defined below). Brooks Pierce's charges for its professional services are based upon the time, nature, extent and value of such services, and are billed at its current customary hourly rates in accordance with practices customarily employed by Brooks Pierce and generally accepted by Brooks Pierce's clients.

6. During the Application Period, Brooks Pierce attorneys and paralegal expended a total of 1253.35 hours for which compensation is requested, including 1163.70 hours of attorney time and 89.65 hours of clerk/paralegal time. Attached hereto as Exhibit A is a fee application summary sheet as required by the Executive Office of the U.S. Trustee's Guideline for Reviewing Applications for Compensation & Reimbursement of Expenses filed under U.S.C. § 330 dated March 22, 1995, as amended January 30, 1996. Exhibit A lists the attorneys, clerk and paralegal who provided services during the Application Period, their titles, billing rates, the aggregate hours spent by each individual, the total amount of fees, and the dates each attorney was admitted to practice.

7. Attached hereto as Exhibit B is a summary of the actual and necessary disbursements and expenses incurred by Brooks Pierce in the performance of its services for the Debtors during the Application Period.

8. Attached hereto as Exhibit C, are statements of contemporaneously maintained computer-generated time entries in increments of tenths (1/10) of an hour, for each individual who performed services during the Application Period, together with supporting computer-

generated detailed statements of the actual and necessary expenses incurred in the performance of such services.

PROFESSIONAL SERVICES RENDERED

9. During the Application Period, Brooks Pierce was required to render substantial professional services on a wide array of matters, including: issues relating to administration of the Debtors' defined benefit retirement plans, various environmental issues, various employment issues relative to plant closings, trademark applications and other intellectual property matters, real property concerns, contract negotiations and drafting, sale of certain of the Debtors' assets and general counsel regarding the effect of the Debtors' bankruptcy on operations. This representation also includes various litigation matters including the following: responding to third-party subpoenas, claims against the Debtors in ERISA and state law claims related to an employee's life insurance plan, collection activities arising out of the settlement of a copyright lawsuit and various other matters including collection of the Debtors' accounts receivable.

10. A Breakdown of the number of hours for the services rendered by Brooks Pierce during the Application Period can be grouped by matter as follows:

A.	Kenansville:	16.00 hours;
B.	General:	158.55 hours;
C.	General Employment:	7.25 hours;
D.	UTS:	62.00 hours;
E.	Fishman Environmental:	51.40 hours;
F.	Manulife Insurance Co.:	167.85 hours;
G.	Collections:	18.65 hours;

H.	Unger Investment:	28.20 hours;
I.	Greenberg Environmental:	37.10 hours;
J.	Real Estate:	212.95 hours;
K.	Employee Benefits:	109.40 hours;
L.	Intellectual Property:	3.80 hours;
M.	Environmental:	18.10 hours;
N.	Twin Rivers:	33.00 hours;
O.	Pine Grove Environmental:	0.70 hours;
P.	Cogentrix:	22.50 hours;
Q.	Homestead:	7.20 hours;
R.	Trademark Searches:	6.60 hours;
S.	Richard Litigation:	219.25 hours.

ACTUAL AND NECESSARY EXPENSES

11. Where practical, the statement of the actual and necessary disbursements and expenses (Exhibit C) provides the date the charges were incurred, the name of the individual who, or the organization which, submitted the voucher or invoice, and a description of the services performed.

- (a) Brooks Pierce customarily charges \$0.20 per page for in-house photocopying projects containing 199 pages or less. Large copy projects containing over 200 pages are charged a discounted rate of \$0.10 per page for in-house photocopying.

- (b) It charges \$1.00 for out-going facsimile transmissions. There is no charge for in-coming facsimiles.
- (c) Brooks Pierce does not charge clients for local calls placed from its offices. Long distance calls are charged in accordance to the long distance carrier rates.
- (d) Courier and messenger services were only used where necessary.
- (e) Brooks Pierce believes that its expenses are reasonable and such rates and expenses are customarily charged to non-bankruptcy clients.

RETENTION OF BROOKS PIERCE

12. On March 13, 2002, (the "Petition Date"), and periodically thereafter, the Debtors filed voluntary petitions for relief under Chapter 11 of Title 11 of the Bankruptcy Code, 11 U.S.C. Section 101, et seq., in this Court.

13. On or about March 26, 2002, Debtors applied to the Court for an order authorizing employment of Brooks Pierce as Ordinary Course Professionals to the Debtors as their attorneys in the ordinary course of business. On April 16, 2002, this Court signed the Order Pursuant to Bankruptcy Code Sections 105 (a), 327, 328 and 330 Authorizing Employment of Brooks Pierce as Ordinary Course Professionals for the Debtors (the "Retention Order"). Attached hereto as Exhibit D is a copy of the Retention Order.

MONTHLY FEE STATEMENTS/COMPENSATION

14. Neither Brooks Pierce nor any member, counsel or associate thereof has received any promises or payments in connection with this case other than in accordance with the provisions of the Bankruptcy Code.

15. Brooks Pierce has no agreement or understanding with any other entity or person for the sharing of compensation received or to be received for the services rendered in connection with this case.

16. At the time of filing of this Application, Brooks Pierce has received payments totaling \$90,000.00 to be applied to fees and expenses incurred during the Application Period.

EMPLOYMENT / FEE APPLICATIONS

17. During the Application Period, Brooks Pierce incurred a total of 1253.35 attorney hours and 89.65 clerk/paralegal hours for a total of \$220,549.50 for services rendered relating to employment and fee applications. The services include research into the Bankruptcy Code, Bankruptcy Rules, Local Rules, UST Guidelines and preparing and filing the aforementioned pleadings, as well as the initial preparatory work on this Application. The figure of \$141,763.45 is the total amount of compensation sought in this Application, after all Court approved payments have been applied.

NOTICE

18. Notice of this Application has been given in accordance with the Court's Amended Order Pursuant to §§ 331 and 105 (a) of the Bankruptcy Code Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals dated April 3, 2002. Brooks Pierce submits that no other or further notice need be given.

COMPLIANCE / WAIVER

19. To the best of Brooks Pierce's knowledge, this Application complies with Sections 330 and 331 of the United States Bankruptcy Code 11 U.S.C. §§101 et seq., Rule 2016 of the Bankruptcy Rules, the Local Rules and Guidelines, Court Orders and the UST Guidelines.

20. Brooks Pierce has reviewed the requirements of the Local Rules and Guidelines and the UST Guidelines and believes that this Application complies with such requirements. To the extent that this application does not comply in every respect with the requirements of these Local Rules and Guidelines, Brooks Pierce respectfully requests a waiver for any such non-compliance.

CONCLUSION

21. The legal services summarized by this Application and rendered by Brooks Pierce to the Debtors during the First Period were substantial, professional, and beneficial to the Debtors' chapter 11 cases. They were reasonable and necessary to the preservation and maximization of the Debtors' estates.

22. As noted above, the amounts sought by Brooks Pierce consist only of actual and reasonable billable time expended by attorneys and legal support staff of \$220,549.50 and actual and necessary disbursements made by Applicant of \$11,213.95 during the Application Period. As demonstrated throughout this Application, the other factors typically considered in determining compensation -- including complexity, results achieved, special expertise, magnitude of the matter, and professional standing -- all militate toward the conclusion that the amount of compensation requested by Brooks Pierce is necessary, fair, and reasonable.

23. In light of (a) the complexity of these cases for which it performed services on behalf of the Debtors, (b) the results achieved, (c) the significant contributions made and time devoted, often under severe time constraints and to the preclusion of other matters, (d) awards of compensation in similar cases, and (e) other factors pertinent to the allowance of compensation, Brooks Pierce believes that the compensation sought herein is fair and reasonable and is authorized under the relevant provisions of the Bankruptcy Code.

WHEREFORE, Brooks Pierce respectfully requests that this Court enter an order (a) awarding to Brooks Pierce (i) compensation for the period from March 13, 2002 through and including September 30, 2002 in the amount of \$141,763.45 representing actual billable time for services rendered by Brooks Pierce as ordinary course professionals to the Debtors, after all Court approved payments have been applied (ii) reimbursement of actual and necessary expenses incurred and recorded by Brooks Pierce for the period March 13, 2002 through and including September 30, 2002 in the amount of \$0.00, after all Court approved payments have been applied (b) directing payment of the foregoing amounts to the extent not already paid pursuant to the Fee Order (*i.e.*, \$220,549.50 for fees minus payments in the amount of \$78,786.05 and \$11,213.95, minus payments in the amount of \$11,213.95 for expenses), and (c) granting such other and further relief as this Court deems just and proper.

DATED: Greensboro, North Carolina
October 30, 2002



H. Arthur Bolick II
N.C. State Bar No. 20866

OF COUNSEL:
BROOKS, PIERCE, McLENDON,
HUMPHREY & LEONARD, L.L.P.
Post Office Box 26000
Greensboro, North Carolina 27420-6000
Telephone: (336) 373-8850

EXHIBIT A

In re: GUILFORD MILLS, INC., et al. – Chapter 11 – Case No. 02-40667(BRL)

Summary of Time and Fees – Attorneys and Paralegal

March 13, 2002 – September 30, 2002

Name	Title	Hours	Rate	Total	Year Admitted to Practice
George W. House	Partner	69.80	\$280.00	\$19,544.00	1973
George W. House	Partner	30.70	\$245.00	\$7,521.50	1973
Jeffrey E. Oleynik	Partner	23.70	\$260.00	\$6,162.00	1983
Jeffrey E. Oleynik	Partner	26.90	\$200.00	\$5,380.00	1983
Mark Davidson	Partner	30.40	\$260.00	\$7,904.00	1983
Marcus W. Trathen	Partner	3.40	\$260.00	\$884.00	1990
V. Randall Tinsley	Partner	1.10	\$225.00	\$247.50	1987
Jill R. Wilson	Partner	0.40	\$220.00	\$88.00	1982
Howard L. Williams	Partner	18.00	\$215.00	\$3,870.00	1972
John W. Ormand, III	Partner	8.80	\$215.00	\$1,892.00	1987
John W. Ormand, III	Partner	1.70	\$155.00	\$263.50	1987
John H. Small	Partner	0.30	\$260.00	\$78.00	1979
John H. Small	Partner	0.55	\$210.00	\$115.50	1979
W. Erwin Fuller, Jr.	Partner	57.50	\$220.00	\$12,650.00	1964
Robert A. Singer	Partner	0.60	\$210.00	\$126.00	1979
William P. H. Cary	Partner	5.50	\$210.00	\$1,155.00	1976
Randall A. Underwood	Partner	227.30	\$210.00	\$47,733.00	1979
Mack Sperling	Partner	2.25	\$200.00	\$450.00	1983
Allison M. Grimm	Partner	55.10	\$200.00	\$11,020.00	1990
Allison M. Grimm	Partner	37.10	\$145.00	\$5,379.50	1990
S. Kyle Woosley	Partner	45.30	\$200.00	\$9,060.00	1980
S. Kyle Woosley	Partner	1.00	\$165.00	\$165.00	1980

Name	Title	Hours	Rate	Total	Year Admitted to Practice
Jim W. Phillips Jr.	Partner	52.30	\$200.00	\$10,460.00	1984
John R. Archambault	Partner	0.30	\$165.00	\$49.50	1987
Elizabeth S. Brewington	Partner	0.30	\$140.00	\$42.00	1992
H. Arthur Bolick, II	Partner	41.50	\$135.00	\$5,602.50	1994
John M. Cross, Jr.	Partner	32.20	\$125.00	\$4,025.00	1995
Robert W. Saunders	Associate	19.60	\$210.00	\$4,116.00	1987
Natalie K. Sanders	Associate	0.70	\$185.00	\$129.50	1995
Clinton R. Pinyan	Associate	95.80	\$160.00	\$15,328.00	1995
Derek J. Allen	Associate	0.30	\$150.00	\$45.00	1997
John M. DeAngelis	Associate	13.90	\$150.00	\$2,085.00	1998
Teresa Deloatch Bryant	Associate	3.40	\$150.00	\$510.00	1993
Timothy W. Jones	Associate	1.90	\$130.00	\$247.00	2000
Jennifer L. Davis	Associate	0.60	\$130.00	\$78.00	1997
Andrew J. Haile	Associate	26.20	\$125.00	\$3,275.00	2000
Elizabeth T. Mehaffey	Associate	4.70	\$125.00	\$587.50	2001
David W. Sar	Associate	5.30	\$115.00	\$609.50	1996
Brian J. McMillan	Associate	3.80	\$170.00	\$646.00	1997
Brian J. McMillan	Associate	213.50	\$115.00	\$24,552.50	1997
Matt Martin	Law Clerk	28.20	\$100.00	\$2,820.00	N/A
Cam Cover	Paralegal	1.40	\$95.00	\$133.00	N/A
Jann Lund	Paralegal	0.50	\$70.00	\$35.00	N/A
Jann Lund	Paralegal	6.60	\$55.00	\$363.00	N/A
Kelly Gamble	Paralegal	1.80	\$65.00	\$117.00	N/A
Denise Smith	Paralegal	2.05	\$60.00	\$123.00	N/A
Wanda Gatlin	Paralegal	1.80	\$60.00	\$108.00	N/A
Lisa Watterson	Paralegal	42.40	\$60.00	\$2,544.00	N/A

Name	Title	Hours	Rate	Total	Year Admitted to Practice
Diana McCafferty	Paralegal	1.90	\$50.00	\$95.00	N/A
Linda Marion	Paralegal	1.50	\$45.00	\$67.50	N/A
Patty Bondurant	Paralegal	1.50	\$45.00	\$67.50	N/A
TOTAL COMPENSATION				\$220,549.50	
TOTAL EXPENSES (as shown on Exhibit 2)				\$11,213.95	
TOTAL PAYMENTS RECEIVED				(\$90,000.00)	
TOTAL AMOUNT REQUESTED				\$141,763.45	

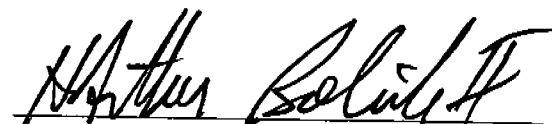
Total Fees for Attorneys: \$ 214,076.50

Total Fees for Clerk/ Paralegal: \$ 6,473.00

Total Hours for Attorneys: 1163.70

Total Hours for Clerk/Paralegal: 89.65

RESPECTFULLY SUBMITTED this 30th day of October, 2002.



H. Arthur Bolick II
Attorney for Guilford Mills, Inc.
N.C. State Bar No. 20866

OF COUNSEL:

BROOKS, PIERCE, McLENDON,
HUMPHREY & LEONARD, L.L.P.
Post Office Box 26000
Greensboro, North Carolina 27420-6000
Telephone: (336) 373-8850

EXHIBIT B

In re: GUILFORD MILLS, INC., et al. – Chapter 11 – Case No. 02-40667(BRL)

**Summary of Expenses Incurred for the Period
March 13, 2002, through September 30, 2002**

EXPENSES		
Postage	March, 2002	\$7.41
	April, 2002	\$6.90
	May, 2002	\$5.22
	June, 2002	\$11.82
	July, 2002	\$10.01
	August, 2002	\$46.56
	September, 2002	\$49.32
	Total Postage	
Copies (\$0.20/page)	March, 2002 (475 Internal copies)	\$95.00
	April, 2002 (1,237 Internal copies)	\$247.40
	April, 2002 (External Copy Service)	\$47.27
	May, 2002 (618 Internal Copies)	\$123.60
	June, 2002 (1382 Internal Copies)	\$276.40
	June, 2002 (2222 Internal Copies)	\$222.20
	July, 2002 (1187 Internal Copies)	\$237.40
	July, 2002 (914 Internal Copies)	\$91.40
	August, 2002 (2304 Internal Copies)	\$460.80
	August, 2002 (1854 Internal Copies)	\$185.40
	August, 2002 (External Copy Service)	\$13.42
	September, 2002 (2950 Internal Copies)	\$590.00
	September, 2002 (3894 Internal Copies)	\$389.40
*Total Copies		\$2,979.69
Long Distance Telephone and Toll Charges	March, 2002	\$1.46
	April, 2002	\$34.18
	May, 2002	\$19.40
	June, 2002	\$22.15
	July, 2002	\$69.55

EXPENSES

	August, 2002	\$23.93
	September, 2002	\$72.17
Total Long Distance Telephone and Toll Charges		\$242.84
Facsimile (long distance only)	April, 2002 (146 pages @ \$1.00 per page)	\$146.00
	May, 2002 (217 pages @ \$1.00 per page)	\$217.00
	June, 2002 (258 pages @ \$1.00 per page)	\$258.00
	July, 2002 (234 Pages @ \$1.00 per page)	\$234.00
	August, 2002 (33 pages @ \$1.00 per page)	\$33.00
	September, 2002 (317 pages @ \$1.00 per page)	\$317.00
Total Facsimile Charges		\$1,205.00
Computer Research Charges	March, 2002	\$77.00
	April, 2002	\$107.49
	May, 2002	\$60.74
	June, 2002	\$116.99
	July, 2002	\$38.00
	August, 2002	\$53.26
	September, 2002	\$1,110.81
Total Computer Research Charges		\$1,564.29
Courier / Overnight Delivery Service	April, 2002	\$151.65
	May, 2002	\$39.35
	June, 2002	\$110.26
	July, 2002	\$46.89
	August, 2002	\$313.07
	September, 2002	\$167.69
Total Courier / Overnight Delivery Service		\$828.91
Legal/Court Filing Fees	June, 2002	\$150.00
	July, 2002	\$97.00

EXPENSES

	August, 2002	\$75.00
	September, 2002	\$51.00
Total Legal/Court Filing Fees		\$373.00
Travel Fees	June, 2002 - CRP Travel To/From NYC Hotel & Airfare (6/10/02 - 6/14/02)	\$1,553.57
	July, 2002 - CRP Travel To/From NYC Airfare (726/02)	\$674.00
	August, 2002 - CRP Travel To/From NYC Hotel & Airfare (8/27/02)	\$1,527.04
Total Travel Fees		\$3,754.61
Miscellaneous Costs	August, 2002 - Staff Overtime	\$9.37
	August, 2002 - Outside Professional Service	\$119.00
Total Miscellaneous Costs		\$128.37
TOTAL EXPENSES		\$11,213.95

EXHIBIT C

In re: GUILFORD MILLS, INC., *et al.* – Chapter 11 – Case No. 02-40667(BRL)

**Statements of Fees and Expenses Incurred for the Period
March 13, 2002 through September 30, 2002**

Exhibit C

Excerpt 1

This Exhibit contains a vast number of pages and is too lengthy for electronic imaging. Pursuant to General Order 193 this Exhibit will be available upon request. To obtain a copy please send your request in writing to Brooks, Pierce, McLendon, Humphrey & Leonard, LLP, Attention: H. Arthur Bolick II, P.O. Box 26000, Greensboro, North Carolina 27420.