

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

CERTIFICATION

Kenneth A. Simon makes the following certification, pursuant to the Guidelines of this Court (the “Guidelines”) with respect to the final application of Deloitte & Touche LLP (“Deloitte”) for compensation and reimbursement of expenses for the period from March 26, 2002 through and including September 30, 2002 (the “Application”).

1. I am a member of the firm of Deloitte. Deloitte designated me with the responsibility in this case for compliance with the Guidelines.
2. I have read the Application. To the best of my knowledge, information and belief formed after reasonable inquiry, the Application complies with the mandatory Guidelines. To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and expenses sought fall within the Guidelines. Except to the extent that fees or disbursements are prohibited by the Guidelines, expenses sought are actual and fees sought are billed at rates and in accordance with practices customarily employed by Deloitte and generally accepted by Deloitte’s clients.

3. The Office of the United States Trustee, Debtors' counsel and members of the Committee are being furnished with copies of the Application.

4. Debtors' counsel was provided with monthly statements of fees and disbursements accrued during each month for which Deloitte seeks compensation in accordance with the Guidelines.

5. The members of the Committee will have had an opportunity to review this Application prior to the date of the hearing scheduled for the Application.

6. Deloitte does not make a profit on any of the expenses for which reimbursement is sought in the Application. In charging for any and all of the expenses, Deloitte does not include in the amount sought the amortization of the cost of any investment, equipment or capital outlay. In seeking reimbursement for a service which Deloitte justifiably purchased or contracted for from a third party, Deloitte requests reimbursement only for the amount billed to Deloitte by the third-party vendor and paid by Deloitte to such vendor.

Dated: New York, New York
October 29, 2002

/s/ Kenneth A. Simon
Kenneth A. Simon

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SOUTHERN DISTRICT OF NEW YORK**

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GUILFORD MILLS, INC. et al., : **Case No. 02-40667**
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**FINAL APPLICATION OF DELOITTE & TOUCHE LLP
AS ACCOUNTANTS AND FINANCIAL ADVISORS TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS, FOR ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND FOR
REIMBURSEMENT OF DISBURSEMENTS INCURRED FROM
MARCH 26, 2002 THROUGH SEPTEMBER 30, 2002**

Name of Applicant: Deloitte & Touche LLP

Authorized to Provide Professional Services to: Unsecured Creditors' Committee

Date of Retention: May 15, 2002

Period for which compensation
and reimbursement are sought: Mar. 26, 2002 – Sept. 30, 2002

Amount of Compensation sought as
Actual, reasonable and necessary: \$ 429,715.5

Amount of Expense Reimbursement
sought as actual, reasonable, and necessary: \$ 5,269.0

This is a: ___interim X final application

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TO THE HONORABLE R. LIFLAND UNITED STATES BANKRUPTCY JUDGE:

Pursuant to 11 U.S.C. §330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure, Deloitte & Touche LLP (“Deloitte” or the “Applicant”), hereby moves this Honorable Court for an Order awarding it reasonable compensation with respect to Guilford Mills, Inc., et al., (the “Debtors”) for professional advisory services rendered as Accountants and Financial Advisors to the Official Committee of Unsecured Creditors (“Committee”) in the amount of \$429,715.5 together with reimbursement for actual and necessary expenses incurred in the amount of \$5,269.0 for the period of March 26, 2002 through September 30, 2002 (the “Final Compensation Period”). In support of its Application, Deloitte respectfully represents as follows:

1. By Order signed May 15, 2002, the court authorized the Committee to employ and retain Deloitte to represent the Committee as financial advisors effective March 26, 2002. This Order annexed hereto as Exhibit A, authorized Deloitte to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses;
2. Deloitte makes this final application for allowance of professional fees of \$429,715.5 and out of pocket expenses of \$5,269.0 incurred during the Final Compensation Period;

3. In rendering the services, Deloitte has expended a total of 1,043.5 hours. An overall billing summary attached as Exhibit B hereto sets forth the hourly rates during the Application Period for the Deloitte personnel that performed services for the Committee and the total hours incurred by each professional. Please note that the hourly rates have been revised in July 2002, in accordance with practices customarily employed by Deloitte. Based on the hours expended and the hourly rates effective during the Final Compensation Period, Deloitte is entitled to fees for professional and paraprofessional services rendered during the Final Compensation Period in the amount of \$429,715.5, of which \$90,206.4 is outstanding. Below is a table summarizing Deloitte's fees, expenses, payments received and amounts owed for the Final Compensation Period;

Billing Period	Fees	Expenses	Total	Received	20% Holdback	Owed
3/26/02 - 4/30/02	161,692.0	4,090.0	165,782.0	133,144.0	32,338.4	32,338.4
5/1/02 - 5/31/02	91,312.0	156.0	91,468.0	73,206.0	18,262.0	18,262.0
6/1/02 - 6/30/02	59,264.0	1,023.0	60,287.0	48,435.0	11,852.0	11,852.0
7/1/02 - 7/31/02	95,408.0	-	95,408.0	76,326.0	19,082.0	19,082.0
8/1/02 - 8/31/02	16,710.0	-	16,710.0	13,368.0	3,342.0	3,342.0
9/1/02 - 9/30/02	<u>5,330.0</u>	<u>-</u>	<u>5,330.0</u>	<u>-</u>	<u>n.a.</u>	<u>5,330.0</u>
Total	<u>\$429,715.5</u>	<u>\$5,269.0</u>	<u>\$434,985.0</u>	<u>\$344,479.0</u>	<u>\$ 84,876.4</u>	<u>\$ 90,206.4</u>

4. Deloitte has presented the services rendered by service code (as defined and described below), identifying the activities within the category, naming each person who performed the activity, the number of hours spent by such person, and a description of the work performed. These details are presented in Exhibit C. Below is a table summarizing Deloitte's fees for services rendered by service code.

CODE	CATEGORY	HOURS	FEES
100	Planning / Supervisions / Administration / Review	37.2	\$ 16,162.0
300	Review Newly Received Documents	4.7	2,340.0
500	Preparation and Review of Information Requests	5.9	2,552.0
700	Liquidation Analysis and Related Matters	10.2	4,630.0
800	Business Analysis - Potential Avoidance Action	1.9	815.0
900	Analysis of Long Term Business Plan & Related Matters	78.2	31,598.0
1000	Analysis of Current Operating Results & Related Matters	169.5	63,480.5
1200	Analysis of Bankruptcy Schedules	23.1	9,920.0
1800	Analysis and Reconciliation of Filed Claims	116.2	47,404.0

<u>CODE</u>	<u>CATEGORY</u>	<u>HOURS</u>	<u>FEES</u>
2500	Preparation for and/or Participation in Meetings / Conference Calls w/ Debtor & Professionals	51.7	23,250.0
2600	Preparation for and/or Participation in Creditor Committee/Committee Counsel Meetings/Conference Calls	198.5	87,624.0
3000	Analysis of Employee Severance, Pension, Retention & Bonus Program	42.6	20,594.0
3600	Analysis of DIP Facility Matters	35.7	16,773.0
3700	Analysis of Other Financing Matters	26.2	11,886.0
3800	Analysis of Exit Financing Matters	21.3	9,773.0
4200	Review of Disclosure Statement	25.3	11,625.0
4500	Firm Retention	44.6	14,368.0
4800	Preparation of Monthly Invoice & Support Schedules	68.2	24,670.0
5100	Analysis of Asset Sales and Other Dispositions	64.1	28,714.0
5500	Review of Retention Applications of Debtor's Professionals and Preparation of Misc. Financial Analysis	10.6	4,860.0
5700	Vendor Management & Related Matters	2.6	860.0
7600	Analysis & Preparation of Short-term	5.2	2,418.0
	Voluntary reduction in fee applications		(6,601.0)
Total		<u>1043.5</u>	<u>\$ 429,715.5</u>

5. Deloitte has also presented actual disbursements incurred by category, naming each person who incurred the expenses, amount, date, and a description of nature of the expenses. These details are presented in Exhibit D.

WHEREFORE, the Applicant respectfully requests that this Court enter an Order:

- (a) awarding the Applicant reasonable compensation for professional advisory services to the Committee in the amount of \$434,985.0, representing fees in the amount of \$429,715.5 and expenses in the amount of \$5,269.0 for the period March 26, 2002 though September 30, 2002.
- (b) Authorizing final payment of \$90,206.4 representing
 - i. 20% holdback for the period March 26, 2002 through August 31, 2002 in the amount of \$84,876.4,
 - ii. Outstanding professional fees for September, including 20% holdback, in the amount of \$5,330.0,
- (c) granting such other and further relief as this Court may deem just and proper.

(Continued on the next page)

Sworn to before me this 29th
Day of October, 2002.

/s/ Lucian V. Spatoliatore
Notary Public

/s/ Kenneth A. Simon
Kenneth A. Simon
Deloitte & Touche LLP
Two World Financial Center
New York, NY 10281-1414
(212) 436 5943

Exhibit A

**ORDER AUTHORIZING RETENTION OF
DELOITTE & TOUCHE LLP AS ACCOUNTANTS
AND FINANCIAL ADVISORS FOR THE
OFFICIAL COMMITTEE OF UNSECURED
CREDITORS**

Exhibit B

**GUILFORD MILLS, INC.
DELOITTE & TOUCHE LLP
SUMMARY OF HOURLY DETAIL BY PROFESSIONAL
FOR THE PERIOD MARCH 26, 2002 THROUGH SEPTEMBER 30, 2002**

<u>PROFESSIONAL</u>	<u>POSITION</u>	<u>HOURLY RATE</u>	<u>HOURS</u>	<u>FEES</u>
Simon, K.	Partner	\$ 620	21.0	\$ 12,990
Turk-Meena, M.	Partner	\$ 610	8.9	5,500
Lemoine, B.	Senior Manager	\$ 530	9.2	4,876
Connell, F.	Senior Manager	\$ 530	5.8	3,074
Blair, K.	Senior Manager	\$ 500	167.5	83,750
Floyd, W.	Senior Manager	\$ 500	67.9	33,950
Kan, L.	Manager	\$ 450 *	327.1	151,299
Chan, J	Manager	\$ 350	18.0	6,300
Cohn, M.	Senior Consultant	\$ 350	4.0	1,400
Keblesh, A.	Senior Consultant	\$ 350	378.0	121,815
Cashel Jr., J.	Senior Consultant	\$ 350	2.5	875
Lee, J.	Senior Consultant	\$ 350	3.8	1,330
Okun, Douglas	Senior Consultant	\$ 310	27.5	8,525
Bergqvist, Ingrid	Consultant	\$ 275	2.3	633
Voluntary reduction in fee statement preparations				(6,601.0)
Total			<u>1,043.5</u>	<u>\$ 429,715.5</u>

* Please note that the hourly rate has been revised in July 2002, in accordance with practices customarily employed by Deloitte.

Exhibit C

HOURLY DETAIL BY CATEGORY

Exhibit D

DISBURESEMENT DETAIL BY PROFESSIONAL AND TYPE