

Deryck A. Palmer, Esq. (DP6351)
WEIL, GOTSHAL & MANGES LLP
Special Counsel to the Debtors
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	
	:	
	:	
	:	Chapter 11 Case
GUILFORD MILL, INC., <i>et al.</i> ,	:	No. 02 -40667 (BRL)
	:	(Jointly Administered)
Debtors.	:	
	:	
	:	
	:	

COVER SHEET PURSUANT TO UNITED STATES TRUSTEE
GUIDELINES FOR REVIEWING APPLICATIONS FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES FILED UNDER 11 U.S.C. § 330

NAME OF APPLICANT:	Weil, Gotshal & Manges LLP	
TIME PERIOD:	March 13, 2002 through September 20, 2002	
ROLE IN THE CASE:	Special Counsel to the Debtors	
FIRST AND FINAL APPLICATION:	Fees Requested:	\$562,106.50
	Fees paid to date:	\$0.00
	Expenses Requested:	\$17,565.95
	Expenses paid to date:	\$0.00
	Retainer Balance:	\$191,331.90

HOURS BILLED

Name	Department And Year Admitted to Practice	Rate*	Hours Billed in Current Application	Total Fees Sought in Application
Partners/Counsels				
MILLER, ALAN, B.	BFR/1962	\$685.00	3.10	\$2,123.50
JACOBS, STEPHEN E.	ICF/1962	\$700.00	7.00	\$4,900.00
VOGEL, MARK A.	T/1963	\$665.00	12.70	\$8,445.50
LASCHER, ALAN A.	C/1967	\$635.00	3.00	\$1,905.00
KRASNOW, RICHARD P.	BFR/1972	\$665.00	.20	\$133.00
METRICK, ALLAN S.	TE/1973	\$495.00	1.40	\$693.00
GOLD, SIMEON	C/1974	\$695.00	.30	\$208.50
WAKSMAN, TED S.	C/1974	\$665.00	.40	\$266.00
DANILOW, GREG A.	BSL/1975	\$695.00	.60	\$417.00
DANILOW, GREG A.	BSL/1975	\$685.00	1.20	\$822.00
BUHLE, WARREN T.	C/1977	\$680.00	53.40	\$36,312.00
BUHLE, WARREN T.	C/1977	\$645.00	261.30	\$168,538.50
GOLDSTEIN, HELYN S.	T/1982	\$645.00	2.00	\$1290.00
TABAK, JEFFREY E.	C/1983	\$630.00	.30	\$189.00
MARCUS, JACQUELINE	BFR/1983	\$555.00	1.60	\$888.00
PALMER, DERYCK A.	BFR/1984	\$695.00	2.60	\$1,807.00
PALMER, DERYCK A.	BFR/1984	\$665.00	48.20	\$32,053.00
GOLDRING, STUART J.	T/1984	\$680.00	3.70	\$2,516.00
GOLDRING, STUART J.	T/1984	\$580.00	30.70	\$17,806.00
CALAFELL, ALBERTO L.	T/1984	\$445.00	77.70	\$34,576.50
WEINSTEIN, MARGERY N.	C/1985	\$465.00	1.50	\$697.50
KAM, MICHAEL K.	T/1987	\$610.00	1.40	\$854.00
DANDENEAU, DEBRA A.	BFR/1987	\$500.00	0.20	\$100.00
GELBFISH, LARRY J	T/1988	\$550.00	0.20	\$110.00
PAPPAS, NICHOLAS J.	L/1989	\$460.00	0.70	\$322.00
DICKER, HOWARD B.	C/1990	\$550.00	32.20	\$17,710.00
DICKER, HOWARD B.	C/1990	\$525.00	49.40	\$25,935.00

Name	Department And Year Admitted to Practice	Rate*	Hours Billed in Current Application	Total Fees Sought in Application
HARVEY, DIANE	L/1992	\$450.00	2.10	\$945.00
CONNOLLY, ANNEMARGARET	TPR/1998	\$500.00	0.60	\$300.00
TOTAL			599.70	\$362,863.00
Associates				
KRASSY, JOSEPH	C/1977	\$370.00	0.50	\$185.00
MALLETT, TERRI	TPR/1994	\$305.00	0.50	\$152.50
GEWANTER, DANIEL	C/1996	\$450.00	1.00	\$450.00
SONTAG, SCOTT M.	T/1998	\$375.00	13.50	\$5,062.50
OSBORNE, MELISSA E.	C/1998	\$380.00	13.60	\$5,168.00
SWEETLAND, AMELIA	C/1999	\$420.00	54.70	\$22,974.00
SWEETLAND, AMELIA	C/1999	\$375.00	23.30	\$8,737.50
HOLZMAN, DANIEL S.	C/1999	\$400.00	43.10	\$17,240.00
HOLZMAN, DANIEL S.	C/1999	\$360.00	133.30	\$47,988.00
BAKER, SIMONE I.	BFR/2000	\$360.00	39.60	\$14,256.00
FISCHER, PETER R.	C/2000	\$330.00	17.00	\$5,610.00
HALPERT, YEHUDA Y.	T/2001	\$350.00	9.00	\$3,150.00
HALPERT, YEHUDA Y.	T/2001	\$290.00	95.00	\$27,550.00
STERN, CHAIM	T/2001	\$290.00	0.30	\$87.00
PULVER, MARNIE H.	T/2001	\$290.00	8.40	\$2,436.00
HERMAN, DAVID	C/2002	\$290.00	0.20	\$58.00
AL-SHARMANI, MONA M.	C/2002	\$305.00	91.00	\$27,755.00
CHOPRA, ITIVA	C/+	\$250.00	4.00	\$1000.00
TOTAL			548.00	\$189,859.50
Paraprofessionals				
SCHNEIDER, SANDI	T	\$175.00	5.00	\$875.00
KANE, WENDY	BFR	\$155.00	1.0	\$155.00
VIOLA, MATTHEW	C	\$150.00	21.80	\$3,270.00
SHRESTHA, CHRISTINE	C	\$155.00	0.50	77.50
SHRESTHA, CHRISTINE	C	\$150.00	5.70	\$855.00
LEE, KATHLEEN	BFR	\$145.00	0.60	\$87.00

Name	Department And Year Admitted to Practice	Rate*	Hours Billed in Current Application	Total Fees Sought in Application
PURNELL, MARK	C	\$130.00	15.10	\$1,963.00
DONLON, JOHN	C	\$130.00	0.20	\$26.00
SAAL, LAURA	BFR	\$130.00	4.50	\$585.00
HECK, SCOTT	C	\$125.00	6.40	\$800.00
SCHWARTZ, BONNIE F.	X	\$175.00	1.50	\$262.50
LOSICK, MERILL	X	\$150.00	0.60	\$90.00
HWANG, EDITH	X	\$150.00	1.20	\$180.00
CARMANT, MARIE	X	\$100.00	1.50	\$150.00
NEW YORK PARALEGAL	N/A	\$80.00	0.10	8.00
TOTAL			65.70	\$9,384.00

+ = Not Yet Admitted; BFR = Business Finance and Restructuring;
BSL = Business and Securities Litigation; C = Corporate;
ICF = International Corporate Finance; L = Litigation;
T = Tax, TPR = Trade Practices and Regulatory Law;
TE = Trust and Estates; X= Library

* Rate Change Effective September 1, 2002

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

APPLICATION OF WEIL, GOTSHAL & MANGES LLP,
AS SPECIAL COUNSEL TO DEBTORS, FOR FINAL ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED
FROM MARCH 13, 2002 THROUGH SEPTEMBER 20, 2002
AND FOR REIMBURSEMENT OF EXPENSES INCURRED

Weil, Gotshal & Manges LLP (“WGM”), special counsel to Guilford Mills, Inc. and its debtor affiliates (collectively, “Guilford” or the “Debtors”), as and for WGM’s application pursuant to section 330(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for final allowance of compensation for professional services rendered and for reimbursement of expenses incurred from March 13, 2002 through September 20, 2002 (the “Application”), respectfully represents:

Background

1. On March 13, 2002 (the “Commencement Date”), the Debtors each commenced in this Court a voluntary case under chapter 11 of the Bankruptcy Code.

2. By an order of this Court dated April 10, 2002, the Debtors were authorized to retain Togut, Segal & Segal LLP as their general bankruptcy counsel (“General Counsel”) in connection with these chapter 11 cases.

3. Pursuant to an order of this Court dated July 9, 2002 (the “Retention Order”), the Debtors were authorized to retain WGM as special counsel, effective *nunc pro tunc* to March 13, 2002. A true and correct copy of the Retention Order is annexed hereto as Exhibit “A.” As described more fully below, WGM has been retained by the Debtors, as special counsel, on matters relating to general corporate, securities, financing, tax and employee benefits law. As WGM is not involved in the day to day conduct of the bankruptcy cases of the Debtors, there is no duplication of services between WGM and the General Counsel. Instead, the services of the Debtors’ various counsel have been complementary to one another.

4. On September 20, 2002, this Court entered an order (the “Confirmation Order”) confirming the Amended Joint Plan of Reorganization of Guilford Mills, Inc. and its domestic subsidiaries, dated August 15, 2002 (as amended, modified or supplemented, the “Plan”). The Confirmation Order provided for, among other things, the procedures prescribed by the Court for all professionals rendering services in these chapter 11 cases to submit final fee applications no later than November 15, 2002.

Jurisdiction and Venue

5. The Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of this Application is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Compliance With Guidelines Governing
Applications for Compensation and Reimbursement of Expenses

6. This Application has been prepared in compliance with the Confirmation Order, the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “Local Guidelines”), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 adopted on January 30, 1996 (the “UST Guidelines” and, collectively with the Local Guidelines, the “Guidelines”). Pursuant to the Guidelines, a certification regarding compliance with same is attached hereto as Exhibit “B.”

Summary of Application

7. WGM seeks payment for fees for professional services rendered and reimbursement of expenses incurred for the period of March 13, 2002 through September 20, 2002 (the “Compensation Period”). As set forth more fully below, during the Compensation Period, WGM served as special counsel to the Debtors under section 327(e) of the Bankruptcy Code and performed services relating to general corporate, securities, financing, tax and employee benefits law. WGM seeks final allowance of compensation for professional services rendered to the Debtors during this period in the aggregate amount of \$562,106.50, and for reimbursement of expenses incurred in connection with the rendition of such services in the aggregate amount of \$17,565.95. During the Compensation Period, WGM attorneys and paraprofessionals expended a total of 1,213.40 hours for which compensation is requested. The blended billing rate, excluding paraprofessional time, is \$502.23 per hour.

8. A schedule setting forth the number of hours expended by each of the partners, associates, and para-professionals of WGM who rendered services to the Debtors, their respective hourly rates, and the year of bar admission for each WGM attorney is attached hereto as Exhibit "C." A schedule specifying the categories of expenses for which WGM is seeking reimbursement, the number of hours expended by the partners, associates, and paraprofessionals of WGM by project category and the aggregate fees associated with each project category is attached hereto as Exhibit "D." A schedule summarizing the actual and necessary expenses incurred in connection with services rendered is attached hereto as Exhibit "E."

9. WGM maintains computerized time records for all WGM attorneys and paraprofessionals who rendered services in connection with its representation of the Debtors. Subject to redaction to preserve the attorney-client privilege or confidential information (where necessary), copies of these computerized records are being furnished to the Court, General Counsel for the Debtors, counsel for the Creditors' Committee, counsel for Debtors' Secured Lenders, and the United States Trustee for the Southern District of New York (the "U.S. Trustee"), in the format specified by the UST Guidelines. A copy of the computerized time records reflecting itemized services rendered is attached hereto as Exhibit "F," and a copy of the computerized records reflecting itemized expenses incurred in connection with the rendition of such services is attached hereto as Exhibit "G."

10. The Debtors have informed WGM that they have sufficient funds to pay the fees and expenses requested herein.

11. Within one month prior to the Commencement Date, the Debtors provided WGM with a retainer in the amount of \$245,000.00. This retainer was furnished in connection with WGM's prepetition and postpetition services rendered and to be rendered to the Debtors. As of the Commencement Date, the amount remaining in the retainer was \$191,331.90, after deduction on account of outstanding prepetition fees and disbursements in the aggregate amount of \$53,668.10. By this Application, WGM seeks the Court's authorization to apply the remaining portion of the retainer as credit toward payment of allowed postpetition fees and disbursements. Except to the extent of the retainer paid to WGM, as described herein and in the affidavit filed in support of the Debtors' application to retain WGM as special counsel, WGM has received no payment and no promises of payment from any source for services rendered or to be rendered in any capacity in connection with the matters covered by this Application.

Retention of WGM

12. Since 1963, WGM has provided extensive legal services for Guilford and certain of its affiliates in connection with their corporate, securities, financing, litigation and arbitration, tax, employee benefits, real estate and other significant matters, including assistance with their operations in Mexico and England. As a result of WGM's prior and current representation of Guilford, WGM has become informed about Guilford and its businesses, and is very familiar with Guilford's capital structure and the material agreements related thereto.

13. As discussed more fully below, the retention of WGM, with its unique knowledge of and experience with the Debtors, has contributed greatly to the efficient administration of the ir estates, thereby minimizing the costs and expense to the estates.

Compliance with the Retention Order

14. Throughout the Compensation Period, WGM limited the services it provided to the Debtors to those matters set forth in the Retention Order and the First Supplemental Affidavit of Deryck A. Palmer (a partner of WGM) dated June 28, 2002. Specifically, during the Compensation Period, WGM was engaged in (i) advising Guilford on matters relating to the renegotiation of inter-company contracts and relationships with its affiliates; (ii) advising Guilford with respect to specific provisions of the disclosure statement accompanying the Plan; (iii) providing advice to Guilford's Board of Directors and executive management with respect to legal matters relating to Guilford's business operations, including attendance at Board of Directors and senior management meetings and meetings with Guilford's financial and turnaround advisers; (iv) assisting in negotiation of the debtor in possession financing and the exit financing; (v) evaluating and developing the Debtors' corporate and tax structures; (vi) advising on employee benefit issues; and (vii) performing the full range of services associated with the matters identified above.

15. The following more fully summarizes the professional services rendered by WGM during the Compensation Period.

Services Rendered by WGM

16. WGM rendered significant, necessary and beneficial professional services to the Debtors and their estates during the Compensation Period. WGM does not wish to burden the Court with a "laundry list" of services provided to the Debtors. Only the significant and salient services are summarized herein.

General Corporate and Securities

17. During the Compensation Period, WGM, on behalf of Debtors, devoted significant time and effort in the preparation and filing of documents in compliance with the federal and state securities laws. WGM prepared documents and provided advice to the Debtors with respect to all filings with the Securities and Exchange Commission (“SEC”), such as quarterly reports on Form 10-Q and current reports on Form 8-K. WGM also rendered advice regarding other securities laws issues, including, among other things, the Investment Company Act of 1940 and compliance with the Sarbanes-Oxley Act of 2002.

18. During the Compensation Period, WGM also evaluated the Debtors’ corporate structure and capitalization. WGM reviewed and evaluated Debtors’ by-laws and certificates of incorporation and prepared the necessary documents, including amendments to the charters and by-laws for the reorganized Debtors. WGM also prepared board presentation materials, attended board meetings, reviewed board actions and advised the directors with respect to their fiduciary duties. Additionally, WGM provided advice to the Debtors with respect to their document retention policy.

19. Moreover, WGM reviewed and commented upon various corporate documents, including the Registration Rights Agreement relating to the registration rights of certain stockholders.

20. WGM also devoted significant time to monitoring and analyzing the pleadings filed by the parties in interest in these chapter 11 cases. Furthermore, WGM reviewed and participated in the drafting of the corporate and securities related sections of the Plan, as well as the disclosure statement related to the Plan and the proposed

Confirmation Order. WGM also participated in numerous teleconferences and attended meetings with certain creditors of the Debtors to negotiate the Plan and the preparation of corporate documents for implementation of the Plan.

21. In addition, WGM reviewed and negotiated confidentiality agreements relating to the Debtors.

22. Furthermore, WGM provided advice regarding indemnification of the Debtors' directors and officers and reviewed the Debtors' charters and by-laws as well as their director and officer insurance policies. WGM also provided assistance to the Debtors on other general corporate matters.

Financing

23. During the Compensation Period, WGM, on behalf of the Debtors, participated in the negotiation with Wachovia Bank, as agent for the Debtors' prepetition secured lenders, of a \$30 million debtor in possession revolving credit facility and coordinated with the Debtors' General Counsel in obtaining Court approval of same.

24. In addition, WGM, on behalf of the Debtors, negotiated (i) a \$25 million senior secured exit financing facility (the "Exit Facility") with Wachovia Bank and a syndicate of financial institutions and (ii) the New Term Notes (as defined in the Plan) with The Prudential Insurance Company of America and other institutions. In connection with the Exit Facility, WGM negotiated and prepared primary and secondary documentation, such as the credit facility agreement, note agreement, pledge agreement and guaranty agreement. The Exit Facility provides Reorganized Guilford with financing for its general corporate working capital purposes. The New Term Notes constitute a part of the treatment of claims and interests under the Plan.

25. WGM also provided pre-closing real estate work in connection with the Exit Facility. In this regard, WGM drafted and negotiated mortgages and deeds of trust and analyzed, revised, negotiated, and commented upon the real estate aspects of other documents prepared in connection with the Exit Facility.

26. WGM also devoted substantial time and resources in advising the Debtors with respect to the establishment of certain liquidating trusts, which were created and funded on the effective date of the Plan. The purpose of the trusts is to coordinate the sale of the Trust Assets (as defined in the respective trust agreements) and the distribution of proceeds thereof to creditors of the Debtors in accordance with the terms of the trust agreements. WGM also prepared various documentation related to the liquidating trusts.

Tax Issues

27. WGM has a preeminent tax practice. During the Compensation Period, WGM expended considerable time developing a tax structure that would allow Guilford to reorganize in a tax efficient manner by utilizing and preserving its existing tax attributes to the extent permissible under applicable laws.

28. In addition, during the Compensation Period, WGM participated in numerous teleconferences with the Debtors and their financial advisors regarding the structuring and implementation of the Plan.

29. Furthermore, WGM analyzed various tax issues and the tax implications which would arise in connection with the Debtors' reorganization, the liquidating trusts referred to above, and other potential transactions. In addition, WGM

prepared the tax sections of the disclosure statement for the Plan, and reviewed and provided substantial comments to the disclosure statement and the Plan as a whole.

30. Additionally, WGM reviewed the necessary trust agreements, drafted the relevant tax sections, and commented on the ancillary documents which were drafted in connection with the transfer of certain assets to the relevant trusts.

Employee Issues

31. During the Compensation Period, WGM advised Guilford extensively on employee compensation, retention, severance and pension matters, including advice with regard to pension benefits previously funded through rabbi trusts. In furtherance of these services, WGM drafted severance agreements and participated in the design of a retention plan for Debtors' key employees, both of which were designed to coordinate with the Debtors' other compensation programs to retain key employees essential to the reorganization. In addition, WGM advised the Debtors with respect to employee non-compete agreements, as well as the impact of change of control provisions contained in employment related agreements.

32. During the Compensation Period, WGM also advised the Debtors on issues relating to the Pension Benefit Guaranty Corporation ("PBGC") and contributions to the PBGC-insured pension plans. Moreover, WGM communicated with the Debtors and the PBGC regarding such pension contributions to ensure the Debtors' compliance with the applicable rules and regulations.

Actual and Necessary Expenses

33. As set forth in Exhibit "D" hereto, WGM has disbursed \$17,565.95 as expenses incurred in providing professional services during the Compensation Period.

With respect to photocopying expenses, WGM charges all of its clients \$.20 per page. With respect to facsimile expenses, in compliance with the Guidelines, WGM does not charge for facsimile transmissions, other than the cost of long distance facsimiles at applicable toll charge rates, which invariably are less than \$1.25 per page as permitted by the Guidelines. Each of these categories of expenses does not exceed the maximum rate set by the Guidelines. These charges are intended to cover WGM's direct operating costs, which costs are not incorporated into the WGM hourly billing rates. Only clients who actually use services of the types set forth in Exhibit "E" are separately charged for such service. The effect of including such expenses as part of the hourly billing rates would impose that cost upon clients who do not require extensive photocopying and other facilities and services. The amount of the standard photocopying charge is intended to allow WGM to cover the related expenses of its photocopying service. A determination of the actual expenses per page for photocopying, however, is dependent on both the volume of copies and the total expenses attributable to photocopying on an annual basis.

34. The time constraints frequently imposed by the circumstances of these cases have required WGM's attorneys and other employees at times to devote substantial amounts of time during the evenings and on weekends to the performance of legal services on behalf of the Debtors. While infrequent, these extraordinary services were essential in order to meet deadlines, timely respond to myriad inquiries from creditors and other parties in interest, and satisfy the demands of the Debtors' businesses and the administration of their estates. Consequently, as a result of the physical inability to complete every task, respond to every letter, and prepare every document required of WGM during ordinary business hours, WGM attorneys and other employees were

required to work in the evenings and on weekends. While WGM has not charged the Debtors for any overtime expense, consistent with firm policy attorneys and other employees of WGM who worked late into the evenings or on weekends were reimbursed for their reasonable meal costs and their cost for transportation. WGM's regular practice is not to include components for those charges in its overhead when establishing billing rates and to charge its clients for these and all other out-of-pocket disbursements incurred during the regular course of the rendition of services. The reimbursement amounts do not exceed those set forth in the Guidelines.

35. In addition, due to the national nature of the Debtors' businesses and the location of their various offices and facilities, frequent long distance telephone calls have been required. On several occasions, overnight delivery of documents and other materials was required as a result of emergencies necessitating the use of such express services. These disbursements are not included in WGM's overhead for the purpose of setting billing rates. WGM has made every effort to minimize its disbursements in this case. The actual expenses incurred in providing professional services were necessary, reasonable, and justified under the circumstances to serve the needs of the Debtors, their estates, and creditors.

The Requested Compensation Should Be Allowed

36. Section 330 provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

37. In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent, and the value of such services, taking into account all relevant factors, including ---

(A) the time spent on such services;

(B) the rates charged for such services;

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;

(D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and

(E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

38. In the instant case, WGM respectfully submits that the services for which it seeks compensation in this Application were necessary for and beneficial to the Debtors' rehabilitation and reorganization. WGM further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, their estates, and all parties in interest. In sum, the services rendered by WGM were necessary and beneficial to the Debtors' estates, and were consistently performed in a timely manner commensurate with the complexity, importance, and nature of the issues involved, and approval of the compensation sought herein is warranted.

Statements of WGM

39. As set forth in the annexed certification of Deryck A. Palmer, a partner of WGM, the compensation requested herein is based upon billing rates and practices customarily employed by WGM and generally accepted by WGM's clients, and is consistent with the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code..

40. No agreement or understanding exists between WGM and any other person for a sharing of compensation received or to be received for services rendered in or in connection with these chapter 11 cases, nor shall WGM share or agree to share the compensation paid or allowed from the Debtors' estates for such services with any other person. The foregoing constitutes the statement of WGM pursuant to section 504 of the Bankruptcy Code and Bankruptcy Rule 2016(a).

Notice

41. A copy of this Application have been provided to (i) the U.S. Trustee, (ii) counsel for the Creditors' Committee, (iii) General Counsel for the Debtors, and (iv) counsel to the Debtors' Secured Lenders. Upon information, a notice of the hearing on this Application and other applications filed by professionals who rendered services in these chapter 11 cases will be served on all parties in interest by the General Counsel for the Debtors in accordance with the requirements of the Confirmation Order and the Bankruptcy Rules.

WHEREFORE, WGM respectfully requests (i) a final allowance of compensation for professional services rendered in the amount of \$562,106.50, (ii) reimbursement of actual and necessary disbursements incurred in the amount of \$17,565.95 (iii) authorization to apply the remaining portion of the retainer (i.e. \$191,331.90) received from the Debtors as credit toward payment of the above requested fees and expenses, and (iv) such other and further relief as is just.

Dated: New York, New York
October 31, 2002

/s/ Deryck A. Palmer
Deryck A. Palmer, Esq. (DP6351)
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