

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re :
HEARTLAND WIRELESS :
COMMUNICATIONS, INC., : Case No. 98-2692
Debtor. : Chapter 11

**FIRST AND FINAL APPLICATION OF WEIL, GOTSHAL & MANGES LLP
FOR COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES**

Name of Applicant: Weil, Gotshal & Manges LLP

Authorized to Provide Professional Services to: Debtor and Debtor in Possession

Date of Retention: December 4, 1998

Period for which compensation and reimbursement are sought: December 4, 1998 through March 15, 1999

Amount of compensation sought as actual, reasonable, and necessary:
First & Final Application \$267,921.50

Amount of expense reimbursement sought as actual, reasonable, and necessary: \$20,393.07

This is a: interim final application monthly statement

The total time expended for the preparation of this application is approximately 14 hours and the corresponding fees for same is approximately 10 hours x \$100.00 = \$1,000.00.

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HEARTLAND WIRELESS	:	CHAPTER 11
COMMUNICATIONS, INC.,	:	Case No. 98-2692
	:	
Debtor.	:	
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**FINAL APPLICATION OF WEIL, GOTSHAL & MANGES LLP FOR
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Pursuant to 11 U.S.C. §§ 330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure, and in accordance with the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated December 4, 1998 (the "Administrative Order"), the Debtors' Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated January 19, 1999, Weil, Gotshal & Manges LLP ("WG&M"), files this final application (the "Application") for allowance of compensation and reimbursement of expenses in connection with WG&M's representation of Heartland Wireless Communications, Inc., debtor and debtor in possession (the "Debtor").

This Final Application seeks approval of the compensation and expenses as described more fully herein for the period December 4, 1998 through March 15, 1999.

By this Application, WG&M seeks final allowance of (i) \$267,921.50 as compensation and \$20,393.07 for reimbursement for actual and necessary expenses for a total of \$288,314.57 for the Application Period.¹

In support of its Application, WG&M respectfully represents as follows:

Background

1. On December 4, 1998 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").
2. From the Petition Date to the effective date of the Plan, Heartland operated its business and managed its assets as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
3. On December 21, 1998, pursuant to section 1102 of the Bankruptcy Code, the United States Trustee for the District of Delaware appointed a statutory unsecured creditors' committee (the "Creditors' Committee").
4. The Debtor's retention of WG&M was approved effective as of the Petition Date by this Court's order dated December 4, 1998. The order authorized WG&M to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

¹ Pursuant to Section 14.3 of the Plan, from and after the date of the entry of an order confirming the Plan, the Debtor and the Reorganized Debtor shall, in the ordinary course of business and without the necessity for approval by the Court, pay the reasonable fees and expenses of professional pensions thereafter incurred.

5. By order dated March 16, 1999, the Court confirmed the Plan. The Plan became effective on April 1, 1999.

Overview

6. The Debtor achieved the goal of any chapter 11 case of emerging from chapter 11 under a consensual plan of reorganization. That goal was obtained with few contested matters requiring the Court's attention during the case. In sum, the Debtor's case is nearly a model for the use of chapter 11 in enabling a financially distressed company to address its financial and operating problems, negotiate with its creditors and other parties in interest toward a consensual plan of reorganization and emerge with its operational and financial issues addressed under a consensual plan of reorganization.

7. While contested matters before the Court were few, this case was not without significant financial and operating issues and significant creditor negotiations that involved substantial effort by the Debtor and its professionals and the Creditors' Committee and its professionals.

8. Since this case involved a prenegotiated plan of reorganization, the Debtor undertook many significant tasks on an expedited basis to accomplish confirmation of a plan of reorganization in just fourteen (14) weeks. During this short timeframe, the Debtor stabilized operations, prepared and filed its schedules and statements, addressed utility issues, litigation issues and complied with the obligations of a debtor in possession. The Debtor also identified certain key initiatives for its

emergence from chapter 11, including the development of a long-range operating plan. Finally, the Debtor solicited acceptance of and achieved confirmation of its consensual plan, which involved substantial creditor negotiations and a comprehensive review of its contracts and leases.

9. WG&M advised and assisted the Debtors in all aspects of its chapter 11 case. WG&M's representation of the Debtor began with a core team of 3 persons – Martin A. Sosland, partner of WG&M, Stephen A. Youngman, counsel of WG&M and Kelli M. Walsh, associate of WG&M. Additionally, the Debtor utilized Penny P. Reid, partner of WG&M, T. Ray Guy, partner of WG&M, Robert R. Summerhays and Sharan Leslie Goolsby, associates of WG&M, to assist with shareholder litigation issues, and Craig W. Adas and Edmond D. Courtroul, associates of WG&M to assist with corporate matters, including the change of equity ownership of the Debtor pursuant to its plan. That core team remained through the entire pendency of the case through confirmation and, indeed, through post-confirmation matters.

10. In sum, WG&M believes it assisted the Debtor in this case in an efficient and cost effective manner and, under all the circumstances, its request for final approval of charges and reimbursement of expenses should be approved as requested.

Compensation Paid and Its Source

11. All services for which compensation is requested by WG&M were performed for or on behalf of the Debtor.

12. During the Application Period other than pursuant to this Court's administrative order dated December 4, 1998 (the "Administrative Order"), WG&M has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this application. There is no agreement or understanding between WG&M and any other person other than members of the firm for the sharing of compensation to be received for services rendered in this case.

Fee Statements

13. The billing statements for each month of the Application Period are attached hereto as Exhibits A through C. These statements contain daily time logs describing the time expended by each professional for this period. Pursuant to Local Order 32, WG&M states that, in all material respects, this Application complies with the requirements of Section IV of Local Order 32 regarding time entries.

Actual and Necessary Expenses

14. The daily logs of expenses incurred by WG&M for each month of the Compensation Period are attached hereto as Exhibits D through F. Pursuant to Section V of Local Order 32, WG&M states as follows regarding expenses: WG&M charges \$0.20 per page for copying charges. WG&M charges for computer research at provider's cost. Outgoing facsimile transmissions are charged at \$1.00 per page. Actual long-distance carrier charges for outgoing facsimile transmissions are reflected in the charges for long distance telephone. WG&M does not charge for incoming

facsimile transmissions. The basis for these rates is WG&M's calculation of the actual cost of these expenses. All or substantially all charges for airfare are at the rate for coach travel; to the extent a charge is not at the coach rate, the charge reflects discount upgrades.

Summary of Services During the Application Period

15. WG&M maintains its billing records in accordance with an internal system of work codes, which aid in identifying the principal areas for which services were rendered.

16. During the Application Period, the principal area of services was in connection with the finalization and solicitation of the Debtor's prenegotiated plan of reorganization and accompanying disclosure statement. In that area, WG&M rendered professional services over a period of 244.20 hours resulting in aggregate charges of \$66,370.90 for services directly related to the Debtor's plan and disclosure statement. In addition, WG&M maintained separate work codes for areas related to litigation matters (462.70 hours / \$123,469.50) and Corporate matters (90.9 hours / \$24,235.50).

17. In addition, WG&M advised and assisted the Debtor in connection with a variety of issues common to a debtor in possession, including creditor communications and general case administration duties (192.3 hours / \$27,881.10) chapter 11 compliance tasks, business operations and claims administration procedures (90.6 hours / \$25,964.50).

Conclusion

WHEREFORE WG&M respectfully requests that (i) final allowance be made to it in the sum of \$267,921.50 as compensation for necessary professional services rendered to the Debtor in contemplation of and in connection with the chapter 11 case and the sum of \$20,393.07 for reimbursement of actual, necessary costs and expenses incurred during those periods, for a total of \$288,314.57 and (ii) for such other and further relief as is just.

Dated: Wilmington, Delaware
May 24, 1999

Respectfully submitted,



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ATTORNEYS FOR HEARTLAND
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