

Anthony Princi, Esq. (AP-2150)  
Alan Arkin, Esq. (AA-4579)  
ANDERSON KILL & OLICK, P.C.  
1251 Avenue of the Americas  
New York, New York 10020-1182  
(212) 278-1000

Hearing Date: November 3, 1998  
Time: 9:30 a.m.

Attorneys for Official Committee  
of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re : Chapter 11  
: :  
HOME HOLDINGS INC., : Case No. 98 B 40319 (JHG)  
: :  
Debtor. :  
-----X

**FINAL APPLICATION OF ANDERSON KILL & OLICK, P.C.,  
COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS, FOR ALLOWANCE OF COMPENSATION AND  
REIMBURSEMENT OF EXPENSES**

Anthony Princi, Esq. (AP-2150)  
Alan Arkin, Esq. (AA-4579)  
ANDERSON KILL & OLICK, P.C.  
1251 Avenue of the Americas  
New York, New York 10020-1182  
(212) 278-1000

Hearing Date: November 3, 1998  
Time: 9:30 a.m.

Attorneys for Official Committee  
of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re : Chapter 11  
: :  
HOME HOLDINGS INC., : Case No. 98 B 40319 (JHG)  
: :  
Debtor. :  
-----X

**FINAL APPLICATION OF ANDERSON KILL & OLICK, P.C.,  
COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS, FOR ALLOWANCE OF COMPENSATION AND  
REIMBURSEMENT OF EXPENSES**

TO: THE HONORABLE JEFFRY H. GALLET,  
UNITED STATES BANKRUPTCY JUDGE:

Anderson Kill & Olick, P.C. ("Anderson Kill"), as  
counsel to the Official Committee of Unsecured Creditors of Home  
Holdings, Inc. (the "Committee") in the above-captioned  
bankruptcy, respectfully represents as follows:

**I. PRELIMINARY STATEMENT**

1. As this Court is aware, this bankruptcy proceeding  
was a "pre-arranged" bankruptcy that arose from negotiations  
amongst the Debtor and its creditor and equity constituencies  
prior to the Debtor's filing for Chapter 11 protection. Critical  
among those constituencies was an ad hoc committee of the  
Debtor's senior noteholders (the "Senior Noteholders' Committee")

which held approximately 71% of the Debtor's outstanding public debt. Anderson Kill represented the Senior Noteholders' Committee from its inception and, as a result, was centrally involved in negotiating and structuring the terms of the Debtor's plan of reorganization that was confirmed by this Court on June 9, 1998 (the "Plan") and the terms of the securities that were issued pursuant to the Plan.

2. As a result of its role in the pre-petition process, Anderson Kill, as counsel to the Committee, was instrumental post-petition in working with the Debtor and the other parties in modifying the Debtor's initial plan so as to achieve a totally consensual restructuring amongst all the Debtor's creditors and equity holders.

3. In addition, the work performed by Anderson Kill in this bankruptcy case, as was true of the work performed by the professionals for all other parties, was complicated by the need to coordinate all substantive and logistical changes with a number of parties, including certain foreign corporations and regulatory agencies. Furthermore, in order to achieve a successful reorganization of the Debtor, the Debtor's Plan had to be confirmed prior to the time when the financial condition of the Debtor's subsidiary, The Home Insurance Company (the "Home"), deteriorated to such point as to mandate that it be put into liquidation.

4. Anderson Kill handled a wide variety of responsibilities in this bankruptcy in a professional and timely fashion and, particularly given the complicating factors that

effected this case, believes that its work was significant in the Debtor achieving a successful, consensual reorganization.

Accordingly, for the reasons set forth herein, Anderson Kill respectfully requests that its application for the allowance of the legal services it rendered and for the reimbursement of the expenses that it incurred during this bankruptcy be granted.

## **II. INTRODUCTION**

### **A. Summary of Relief Requested**

1. By this application (the "Application"), pursuant to Sections 328, 330(a), 503(b)(2) and 1103(b) of Title 11, United States Code, 11 U.S.C. §§ 101 et seq. (the "Code") and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Anderson Kill hereby seeks the allowance of compensation for legal services rendered and the reimbursement of expenses incurred during the period from January 15, 1998 through September 26, 1998 (the "Application Period"), during which time it acted as counsel to the Committee.

2. The legal services rendered and expenses incurred are discussed in more detail in Sections IV - VI of this Application and are supported by the documentation set forth in the Exhibits annexed hereto.

3. By this Application, Anderson Kill seeks final approval for \$614,406.00 in compensation for services rendered and \$79,778.52 for reimbursement of expenses incurred, and \$15,000 in compensation relating to the costs of preparing this

Application, none of which is included in any of the above categories.<sup>1</sup>

4. All of the services rendered and expenses incurred for which Anderson Kill seeks compensation and reimbursement herein were rendered or incurred by Anderson Kill solely in connection with these Chapter 11 cases and solely on behalf of the Committee in the discharge of Anderson Kill's professional responsibilities. As will be demonstrated herein, it is respectfully submitted that the allowance that Anderson Kill now seeks is appropriate, fair and reasonable given the size and complexity of these cases, Anderson Kill's active involvement in the Chapter 11 process and the successful outcome of this reorganization proceeding to which Anderson Kill substantially contributed.

### **III. BACKGROUND**

#### **A. Retention of Anderson Kill as Counsel to the Committee**

5. On January 15, 1998 (the "Petition Date"), Home Holdings Inc. ("Home Holdings" or the "Debtor") filed a petition for reorganization relief under Chapter 11 of the Code. Also, on January 15, 1998, the Debtor filed its first plan of reorganization.

6. Shortly thereafter, on January 23, 1998, the United States Trustee appointed an Official Committee of Unsecured Creditors in the Chapter 11 Case of the Debtor. The Committee originally consisted of Contrarian Capital Management

---

1. The amount sought for compensation relating to the costs of preparing this fee application represents a portion of the actual costs by Anderson Kill in preparing this application.

LLC, Cerberus Partners, L.P., and Credit Suisse First Boston Corp.

7. On February 5, 1998, the United States Trustee changed the membership of the Committee to include The Bank of New York, as Indenture Trustee for the holders of the Senior Notes, and See More Light Investments. On or about May 8, 1998, the United States Trustee removed See More Light Investments as a member of the Committee.

8. By order dated January 31, 1998, the Bankruptcy Court approved the retention of Anderson Kill as counsel to the Committee. A copy of the Court's retention order is annexed hereto as Exhibit A.

B. Events Precipitating the Filing of Home Holdings' Bankruptcy Petition

9. Prior to the Petition Date, Home Holdings, a Delaware corporation, was a holding company for its wholly owned insurance subsidiary, the Home, a New Hampshire corporation, and its other subsidiaries. Prior to June 12, 1995, the Home concentrated on large, complex commercial and specialty risks. These specialty risks included lawyers' liability, directors' and officers' liability, and other specialized property and liability coverage for individuals, professionals and businesses.

10. Pursuant to a Consent Order, dated June 12, 1995 (the "Consent Order"), issued by the New Hampshire Insurance Department (the "Department"), the Home generally ceased writing new or renewal insurance on June 12, 1995, the date of the closing of the Recapitalization Agreement.

11. Additionally, on March 3, 1997, the Department issued an Order of Supervision (the "Order of Supervision") placing the Home under formal supervision of the Department.

12. On March 7, 1997, A.M. Best downgraded the rating of the Home to E (under state supervision). A.M. Best ratings represent an independent opinion of an insurance company's financial strength and ability to meet its obligations to policyholders.

13. Prior to the Petition Date, the Debtor relied primarily on dividends from the Home to meet its obligations for payment of interest and principal on outstanding debt obligations, dividends to stockholders, and corporate expenses.

14. In addition, as of the issuance of the Consent Order, the Home became subject to regulatory restrictions on the amount of dividends that it could pay. As a result, the Debtor received no common stock dividends from the Home in 1995, 1996, and the first six months of 1997. Pursuant to the Consent Order, the Home could not pay any dividends without prior approval of the Department.

C. The Creation of the Senior Noteholders Committee and the Formulation of the Pre-Arranged Plan

15. As a result of the aforementioned ominous warning signs regarding the financial deterioration of the Debtor, certain holders of the Debtor's senior notes organized the Senior Noteholders' Committee for the purpose of attempting to maximize the value of the Debtor's notes. In that regard, the Senior Noteholders' Committee retained Anderson Kill as its counsel and Houlihan Lokey Howard & Zukin, Inc. ("Houlihan Lokey") as its

financial advisor for the purpose of attempting to develop and achieve a viable restructuring of the Debtor.

16. In its then role as counsel to the Senior Noteholders' Committee, Anderson Kill undertook extensive due diligence on the Debtor and the Home, including without limitation, a review of all the debt agreements, the Aggregate Excess of Loss Reinsurance Agreement (the "XOL"), statutory financial statements of the Home, the Auditors' Financial Statements of the Debtor and the 1995 Recapitalization Agreement and related exhibits. Anderson Kill also did an analysis to determine whether the Senior Noteholders or the Debtor had any claims against any third parties which would enhance the value of the Debtor's Notes.

17. Armed with this information, Anderson Kill together with Houlihan Lokey prepared an initial restructuring proposal that it discussed with the New Hampshire Insurance Department (the "Department") and the Board of the Home which did not require the consent or involvement of Zurich Insurance Company ("Zurich"). Although this initial proposal was not ultimately adopted by the Debtor, it did result in creating negotiations amongst the Senior Noteholders' Committee, the Debtor and Zurich which then led to the restructuring proposal that is reflected in the Debtor's Plan. In addition to cash consideration which would be provided by Zurich, the linchpin of this global, consensual restructuring proposal was the creation of a security instrument (the "EONs") which would preserve the value of the Debtor's net operating loss carryforwards (the



"NOLs") for the benefit of its creditors. After this global restructuring proposal was agreed to by all the Debtor's major constituencies, Anderson Kill worked with counsel for the Debtor and Zurich in preparing the Debtor's Plan and Disclosure Statement, both of which were filed on the Petition Date.

**IV. SUMMARY OF SERVICES PERFORMED BY ANDERSON KILL IN THE APPLICATION PERIOD**

18. Exhibit B annexed hereto provides a detailed, daily chronological listing of services rendered by Anderson Kill professionals during the Application Period. In addition, Exhibit C annexed hereto provides a categorical listing of the services performed by Anderson Kill according to the following categories:

- A. Case Administration
- B. Claims Administration and Objections
- C. Regulatory Approval From New Hampshire Insurance Commissioner
- D. Discovery Sought by or Regarding AmBase and/or Whitman Corp.
- E. Application to Intervene
- F. Plan Supplement
- G. Meetings of Creditors
- H. Plan and Disclosure Statement
- I. Tax Issues
- J. Application for Stay of Confirmation Order and Appeal

To further assist the Court, the following is a summary of the principal matters handled by Anderson Kill during the Application Period according to the above-listed categories.

A. Case Administration

19. During the Application Period, Anderson Kill handled a number of matters which concerned the logistics and/or administration of the Debtor's bankruptcy proceeding. At the outset, Anderson Kill reviewed the Debtor's first day pleadings and proposed orders and attended an in-chambers meeting on the Petition Date in order to advise the Court of the nature of this proceeding and to, jointly with the Debtor, seek the entry of certain procedural and other first day orders. In addition, Anderson Kill prepared appropriate retention applications for itself and for the Committee's financial advisor, Houlihan Lokey, and reviewed the Debtor's schedules.

20. Anderson Kill was involved in numerous telephone conversations and in-person meetings with the Debtor's major constituencies and with the Court for the purpose of scheduling meetings and court hearings. Anderson Kill also attended all scheduling conferences that were held before the Court. Anderson Kill also regularly prepared and filed a statement of its fees as counsel to the Committee and took all steps necessary to make sure that its pleadings were electronically filed as required by the recently enacted local rule of the Court.

21. Anderson Kill reviewed and revised a draft of a joint defense agreement that was signed by counsel to the various Plan supporters. Anderson Kill also prepared certain correspondence to the United States Trustee's office regarding the composition of the Committee and prepared responses to correspondence and pleadings served by a then Committee member

regarding this matter. Finally Anderson Kill engaged in numerous conference calls and meetings regarding the logistics for the closing that led to the Debtor's Plan becoming effective.

B. Claims Administration and Objections

22. Section 10.1 of the Debtor's Plan originally provided that as a condition to the Plan becoming effective, amongst other things, the aggregate Allowed General Unsecured Claims could not exceed \$12.5 million. Particularly as a result of this provision, one of the important functions that Anderson Kill undertook was to review all proofs of claims that were filed and, as appropriate, prepare and file objections to any improper claims.

23. Anderson Kill reviewed and analyzed the claim of GECC and prepared to file an objection to same but, ultimately, the Debtor settled such claim.

24. Anderson Kill also extensively reviewed and analyzed AmBase's proof of claim which was in an amount exceeding \$50 million and, therefore, were it to have been allowed in substantial part, would have prevented the Plan from becoming effective. In connection with its analysis, Anderson Kill reviewed detailed documentation regarding the alleged basis for AmBase's tax related claim. After concluding that AmBase's claim was not meritorious, Anderson Kill prepared an objection to such claim. Anderson Kill also reviewed AmBase's motion seeking to estimate for voting purposes the amount of its claim and filed an appropriate response thereto. Once the Debtor's Plan was amended, Anderson Kill engaged in numerous discussions with the

Debtor and AmBase's counsel regarding the hearing on the Debtor's and the Committee's objections to AmBase's claim and the status of AmBase's allowance motion. Anderson Kill also engaged in numerous telephone conversations with various noteholders regarding the filing of proofs of claims.

C. Regulatory Approval from New Hampshire Insurance Commissioner

25. Because the Debtor's Plan required the approval of the New Hampshire Insurance Department for it to become effective, and further because, as a practical matter, so many components of the Debtor's Plan required the cooperation of the Home and therefore, in turn, the Department, Anderson Kill regularly communicated throughout the Application Period with David Nichols, who was the Department's on-site representative, and the Department's outside counsel regarding all substantive and strategic issues involved in the case. In addition, Anderson Kill engaged in lengthy oral and written communications with the Department regarding the possibility of potentially altering the structure of the Debtor's Plan in order to attempt to increase the amount of NOLs that could be preserved and utilized. Anderson Kill also participated in numerous in-person meetings and telephonic conferences regarding Mr. Nichols' deposition and the need for the Department to provide a witness for the confirmation hearing.

D. Discovery Sought By or Regarding AmBase and/or Whitman

26. Shortly after the Petition Date, AmBase indicated to the parties that it intended to object to the Plan. It then began an aggressive discovery campaign which included noticing

the depositions of more than a dozen witnesses and propounding sweeping document requests on the parties, including the Committee and Houlihan Lokey as its financial advisor. In addition, as a result of the fact that AmBase had filed such a large claim against the Debtor, it was necessary for the Committee and the other parties to propound document requests upon AmBase and to seek the deposition of a number of AmBase witnesses.

27. As a result of the foregoing, Anderson Kill lawyers spent a great amount of time handling discovery either sought by or relating to AmBase. These discovery matters included preparing document requests and reviewing document requests propounded by the other parties on AmBase; reviewing document requests propounded by AmBase on the Committee and Houlihan Lokey and responding to same; preparing responses to AmBase's document requests and asserting the attorney-client and/or work product privileges where appropriate; reviewing documents produced by Houlihan Lokey, AmBase, the Debtor, Zurich, Home and Trygg-Hansa; attending in-person and telephonic Court conferences regarding the timing and scheduling of depositions and document production and discovery disputes; reviewing and revising proposed confidentiality agreements respecting the production of documents; prepared for and took the deposition of AmBase's principal witness, Mr. William Purcell; prepared for and defended the deposition of the Committee's principal financial advisor, Mr. Eric Siegert; prepared for and attended all other depositions taken by AmBase and the Debtor; prepared and/or reviewed numerous

correspondence to or from AmBase regarding discovery issues, and; engaged in virtually daily telephonic conferences and periodic in-person meetings with the counsel for the other Plan supporters regarding all of the foregoing.

28. Anderson Kill lawyers were also involved in responding to the discovery demands made by the Whitman Corp. ("Whitman"). This work included responding to various written and oral discovery demands made by Whitman; participating in telephonic and in-person conferences with counsel for Whitman and the other Plan supporters regarding same, and; preparing for and attending court hearings regarding Whitman's discovery demands and disputes that arose regarding same.

E. Application to Intervene

29. Anderson Kill reviewed the application of Whitman to intervene in the Debtor's case, conducted appropriate legal research into the issues presented by the application, prepared an appropriate objection thereto and prepared for and attended a court hearing on the application. Thereafter, Anderson Kill reviewed Whitman's state court complaint relating to this matter and attended a court hearing during which, based on new information, the Court reconsidered its prior ruling and granted Whitman leave to be heard on a limited basis in this case. Anderson Kill also engaged in numerous telephonic and in-person meetings with representatives of the other parties regarding these matters.

F. Plan Supplement

30. As of the Petition Date, there were a number of corporate documents that needed to be prepared and filed with the Court in a supplement to the Plan (the "Plan Supplement"). This documentation included documents relating to the creation of a new entity that was going to take title to the Home (i.e., Home Insurance Holdings, LLC Agreement, Amended Home Certificate of Incorporation and Amended Home By-Laws); documents relating to the new securities that were to be issued and distributed to the Plan (i.e., Earnout Notes Series I, Earnout Notes Series II, Earnout Notes Series III, Earnout Notes Indenture, New Notes and New Notes Indenture); documents relating to Zurich's tender offer on the New Notes (i.e., Offer to Purchase and Letter of Transmittal); the Keepwell Agreement, which provided credit security for the payment of the New Notes and the EONs, and; certain miscellaneous documents required by various sections of the Plan.

31. In order for the Committee to be assured that creditors would receive the actual benefits that had been negotiated, these documents had to be reviewed and analyzed in great detail by Anderson Kill. Such review and analysis was made particularly time consuming by virtue of the fact that the EONs had no ready corporate precedent and there was a need throughout to make sure that the provisions in these documents did not create any negative tax implications. In addition to performing this work and reviewing revised drafts of these documents as they were prepared and circulated, Anderson Kill attorneys prepared

various memoranda to the Committee regarding these matters and engaged in numerous telephonic conferences with Committee members and counsel for Zurich regarding the terms of these documents.

G. Meetings of Creditors

32. As counsel to the Committee, Anderson Kill was responsible for timely communicating all case developments with the Committee, advising them with respect to issues as they arose and polling the Committee for instructions on how to proceed. The expedited time frame in which this case proceeded resulted in Anderson Kill having virtually daily communications with some or all Committee members in that regard and regularly providing the Committee with written memoranda and documentation respecting the case. In addition, throughout the Application Period, Anderson Kill attorneys regularly fielded telephone calls from non-committee noteholders who had been directed to Anderson Kill with their questions respecting the bankruptcy case.

H. Plan and Disclosure Statement

33. During the Application Period, numerous Anderson Kill attorneys performed work in connection with seeking the Court's approval of the Debtor's Disclosure Statement and having the Debtor's Plan confirmed by the Court. This work included the review of the objections to the Disclosure Statement that were filed by AmBase, GECC, the U.S. Trustee and Dr. Licht. Anderson Kill attorneys conducted legal research which arose as a result of certain of these objections and prepared a responsive brief in reply to these objections. Anderson Kill attorneys also reviewed the Debtor's responsive brief to these objections and



communicated regularly with the Debtor with respect to these matters. In addition, Anderson Kill attorneys worked with the Debtor's counsel and counsel for the other parties to revise the Disclosure Statement in a manner that would eliminate the vast majority of these objections. Anderson Kill attorneys then prepared for and attended the hearing on the adequacy of the Debtor's Disclosure Statement at which time the Debtor's Disclosure Statement was approved by the Court.

34. Anderson Kill also reviewed and analyzed objections that were filed to the Plan by AmBase, Dr. Licht and Whitman and prepared appropriate responsive briefs to such objections and conducted legal research into certain issues arising from such objections, including issues relating to the impairment of claims and the propriety of releases to third parties. Anderson Kill also spent a considerable amount of time discussing certain modifications to the Plan that would moot certain of these objections and Anderson Kill worked with counsel to the various parties to prepare appropriate modifications to accomplish this purpose. Anderson Kill then reviewed the amended plans that were filed by the Debtor which contained such modifications. Anderson Kill also reviewed the Debtor's Rule 3019 motion and the objections filed by AmBase and Dr. Licht thereto and prepared appropriate replies to such objections.

35. In connection with the confirmation hearing, Anderson Kill attorneys prepared trial exhibits and witness lists and reviewed trial exhibits and witness lists of AmBase and Whitman. In addition, Anderson Kill prepared Mr. Siegert for

testimony that he gave at the confirmation hearing and worked with the Debtor's counsel and counsel for the other parties in connection with the testimony that was proffered by the Debtor from other witnesses. Anderson Kill attended numerous pre-confirmation hearings, prepared for and attended the confirmation hearing and participated in numerous telephonic and in-person conferences with the other parties who supported the Debtor's Plan.

I. Tax Issues

36. Because an important element of the consideration to be distributed under the Plan involved a security that was designed to preserve the Debtor's NOLs, it was necessary throughout this proceeding to make sure that any modifications to the Plan and the terms of the corporate documents in the Plan Supplement would not create adverse tax consequences. In that regard, Anderson Kill attorneys consulted regularly with the Anderson Kill tax partner who was responsible for this issue with respect to various developments in the case. In addition, Anderson Kill continued to review the tax structure in an effort to assure that the maximum amount of NOLs were being preserved for the Debtor's creditors and conducted research into a number of tax issues relating to such matter. In addition, Anderson Kill consulted regularly with the Debtor's tax counsel and tax counsel for Zurich in order to assure that the tax attributes of this Plan would be preserved. Similarly, Anderson Kill attorneys regularly consulted with Mr. Nichols of the New Hampshire Insurance Department for the purpose of assuring that the

Department would approve the various steps that needed to be taken to preserve and maximize the tax attributes associated with this Plan.

J. Application for a Stay of Confirmation Order and Appeal\_\_\_\_\_

37. After this Court confirmed the Debtor's Plan, Whitman sought a stay of the confirmation order in both this Court and the District Court and took an appeal of the confirmation order. Anderson Kill attorneys reviewed the motion for a stay filed by Whitman and its related appellate papers and prepared and filed appropriate responses thereto and conducted legal research with respect to certain issues arising from such pleadings. In addition, Anderson Kill attorneys prepared for and attended the hearings that were held in this Court and in the District Court respecting these matters. Finally, Anderson Kill attorneys worked with the Debtor's counsel to properly identify the items that should be contained in the record on appeal for the District Court.

K. Preparation of Fee Application

38. Subsequent to the Application Period, Anderson Kill prepared and filed this Application. Anderson Kill estimates that approximately 100 hours, resulting in \$19,525 in fees was and will be incurred in preparing the Application and attending the hearing thereon. With respect to these fees, Anderson Kill is seeking \$15,000 in this Application as an allowance for the work it performed in preparing this Application and preparing for and attending the hearing thereon.

**V. INFORMATION REGARDING ATTORNEYS' FEES**

A. Case Staffing

39. In an attempt to meet its responsibilities in a timely yet economic manner, Anderson Kill continuously reviewed its staffing of the Home Holdings bankruptcy case. Anderson Kill attempted to minimize the number of individual attorneys assigned to the largest degree possible in order to provide continuity of services as well as to reduce time spent on the "learning curve" and attorney conferences. At the same time, Anderson Kill attempted to ensure that tasks were assigned to attorneys at the appropriate experience level. When necessary, Anderson Kill called on attorneys experienced in other than bankruptcy practice areas.

40. As attorney in charge, Mr. Princi assumed overall responsibility for the Home Holdings bankruptcy. To the extent appropriate under the circumstances, Mr. Princi delegated to Ms. Anastos, as the primary junior attorney, the tasks of handling the discovery with AmBase, the prosecution of the Committee's objection to AmBase's claim and the Committee's support of the Debtor's Disclosure Statement and Plan.

41. When corporate expertise was required to analyze the various corporate documents contained in the Plan Supplement and to advise the Committee regarding same, Anderson Kill assigned Mr. Stamm, a corporate finance partner, to be in charge of these tasks. With respect to the various, continuous tax issues which arose in the case and which underpinned the Debtor's

Plan, Anderson Kill assigned Mr. Boshkov, a tax partner, to be in charge of these tasks.

B. Attorneys Performing Services

42. Attorneys who were assigned to the Home Holdings bankruptcy during the Application Period include the following:

Stefan R. Boshkov was graduated from Columbia College and Columbia University School of Law. Mr. Boshkov practices primarily in the field of federal income taxation.

Martin F. Brecker was graduated from Franklin & Marshall College and New York University School of Law. He practices primarily in the field of bankruptcy and corporate restructurings.

Michael W. Stamm was graduated from Villanova University and Rutgers University School of Law. Mr. Stamm practices primarily in the field of corporate law.

Anthony Princi was graduated from Fordham University and Fordham University School of Law. Mr. Princi practices primarily in the field of bankruptcy and restructuring, as well as general litigation.

Edan L. Segal was graduated from the State University of New York at Albany and Fordham University School of Law. Ms. Segal practices primarily in the fields of bankruptcy and corporate restructurings.

Thomas L. Kent was graduated from Sir George Williams University and South Texas College School of Law. Mr. Kent primarily practices in the field of bankruptcy law.

Lisa M. Anastos was graduated from the Wharton School of Business and New York University School of Law. Ms. Anastos practices primarily in the fields of bankruptcy and commercial litigation.

Alan Arkin was graduated from Washington University and Tulane University School of Law. Mr. Arkin practices primarily in the field of commercial litigation.

Peter B. Oh was graduated from Yale College and the University of Chicago School of Law. Mr. Oh practices primarily in the field of general litigation.

Meredith Fein-Lichtenberg was graduated from the University of Pennsylvania and Columbia University School of Law. Ms. Lichtenberg practices primarily in the field of general litigation.

C. Chart Detailing Services Performed

43. As previously noted, annexed hereto as Exhibit C is a chart which lists, on an item-by-item basis for the Home Holdings matter, by major category of tasks performed by Anderson Kill, all services performed by Anderson Kill attorneys during the Application Period. Each attorney is identified on the chart by their initials. The initials, billing rates, total hours and fees of the attorneys whose names appear on these charts are set forth in the accompanying one page Summary of Application.

44. The billing rates for all professionals working on the Home Holdings matter are substantially identical to the rates charged to all of Anderson Kill's clients for whom those professionals performed services during the Application Period.

45. Anderson Kill certifies: (i) that there is no agreement between Anderson Kill and any other party, including without limitation, any creditor, debtor, individual, corporation or any other person or entity, regarding the sharing of fees (except that fees received by Anderson Kill are shared among Anderson Kill members) and, (ii) that Anderson Kill has not discussed or negotiated with any party with respect to the amount of fees to be requested in this Application.

## VI. INFORMATION REGARDING EXPENSES

### A. Computer Printout Detailing Expenses

46. Attached hereto as Exhibit D is a chart which lists all expenses incurred by Anderson Kill during the Application Period for which reimbursement is sought. Essentially all of these expenses have been paid by Anderson Kill and it seeks reimbursement for same.

47. It should be noted that there are several different categories of expenses, and each expense entry is organized into a particular category. The most significant categories of expenses for the Application Period are the following:

48. Air Freight: This refers to air freight express bills which were necessary to ship draft documents on a timely basis.

49. CALR: This refers to charges for computer assisted legal research.

50. Photocopying: This refers to charges for photocopying. Photocopying performed by Anderson Kill in-house is at a rate of \$0.20 per page. The \$0.20 per page copy charge is approximately Anderson Kill's cost and is similar in amount to what other New York law firms bill for this service.

51. Facsimile Charges: Outgoing facsimiles are charged at \$1.25 per page, plus the cost of the telephone call. There is no charge for incoming facsimiles.

52. Word Processing: Word processing and secretarial services are not included in the firm's overhead for the purposes

of setting billing rates, and such charges are customarily billed separately.

53. Local Travel: An attorney may be reimbursed for local travel on business days when the attorney is required by work to leave the office after 8:00 p.m. and has worked substantially more than eight hours that day. In that event, the attorney is allowed the option of using commercial transportation or personal car. In the latter instance, mileage is reimbursed at \$0.325 per mile plus the actual cost of parking and tolls. Transportation reimbursement is also allowed for work in the office on weekends and holidays. When support staff employees or legal assistants work overtime for a client for two and one-half hours past the end of their regular shift, they are entitled to a transportation allowance, reimbursement of actual cab fare, or -- if a private care is used--reimbursement for actual round-trip mileage (.325 per mile). Every effort was made during the case to minimize the firm's local travel expenses.

54. Business Meals: Business meals cover meals of attorneys. Attorneys are entitled to meals on work days under the same conditions that apply to local travel reimbursement. Business meals are charged to a client if an attorney is meeting with a client during breakfast, lunch, or dinner or is compelled due to the circumstances of the case to continue to work through any such meal.

55. Overtime Billable: Overtime expenses cover overtime meals of support staff. When support staff employees work one and one-half hours in addition to their regular shift,



or a minimum of four hours on weekends and holidays, they are eligible to receive a meal allowance for dinner and lunch. Every effort was made during the case to minimize such expenses.

56. Messenger Service: This refers to local couriers. Couriers are used only when time is of the essence.

## **VII. REQUEST FOR COMPENSATION**

57. Anderson Kill respectfully submits that the legal services it has rendered to the Committee during the Application Period, as summarized by this Application, were extensive, valuable and integral to the effective representation of the interests of the Committee. These services have been, out of necessity, demanding of time, effort and expertise. Anderson Kill has diligently coordinated the efforts of its attorneys in order to avoid imposing duplicative administrative costs upon the estate.

58. Anderson Kill further respectfully submits that the reasonable value of the services rendered, which are described herein, is in excess of the amounts sought. Anderson Kill has carefully reviewed its time records and excised any time spent for which Anderson Kill did not believe compensation from the Debtor's estate was appropriate.

59. Anderson Kill is cognizant of the numerous factors to be considered by the Court in making its determination of allowances of compensation. The time and labor devoted to representation of the Committee in a chapter 11 case is only one of the pertinent factors. Additional relevant considerations include: the size and complexity of the estate; the opposition

encountered; the results obtained; the requisite legal skill required; the preclusion of other employment; customary fees; the experience, reputation and ability of the attorneys; the undesirability of the case; the nature and length of professional relationship with the client; the awards in similar cases; and, the contingent nature of the fee. In re First Colonial Corp. of America, 544 F.2d 1291 (5th Cir. 1977); Cle-ware, Inc. v. Sokolsky, 493 F.2d 863 (6th Cir. 1974); In re Mabson Lumber Co., 394 F.2d 23 (2nd Cir. 1968); In re Paramount Merrick, Inc., 252 F.2d 482 (2nd Cir. 1958).

60. Anderson Kill submits that an evaluation of this Application as a whole, including the exhibits annexed hereto, support a finding, through an application of those relevant standards above, that compensation sought is reasonable for the actual and necessary services rendered.

61. Because this Application does not raise any novel issue of law, it is respectfully requested that, the requirement under local Bankruptcy Rule 9013-1(b) for submission of a memo of law be waived.

WHEREFORE, Anderson Kill respectfully requests that this Court enter an order:

1. Allowing final compensation for services rendered by Anderson Kill for the Application Period as outlined in this Application in the amount of \$614,406.00 and authorizing payment of same; and

2. Allowing final reimbursement of expenses incurred by Anderson Kill during the Application Period as outlined in

