

Return Date: October 30, 1998  
 Time: 9:30 a.m.

**THE BANK OF NEW YORK,**  
 Indenture Trustee  
 101 Barclay Street  
 New York, New York 10266  
 Attn: Mr. Jack Stevenson

<u>Fees</u>	<u>Sought</u>	<u>Awarded</u>	<u>Held Back</u>
The Bank of New York, as Indenture Trustee	\$29,950.00	—	—
Sullivan & Cromwell	\$33,853.00	—	—
Luskin, Stern & Eisler LLP	\$43,787.25	—	—
<u>Reimbursement of Disbursements</u>			
The Bank of New York, as Indenture Trustee	\$ 859.53	—	—
Sullivan & Cromwell	--	—	—
Luskin, Stern & Eisler LLP	\$2,422.26	—	—

UNITED STATES BANKRUPTCY COURT  
 SOUTHERN DISTRICT OF NEW YORK

-----X  
 In re: :  
 : Chapter 11  
 : Case Nos. 98 B 40319 (JHG)  
 :  
 HOME HOLDINGS INC., :  
 :  
 Debtor. :  
 : **COVER SHEET TO APPLICATION OF**  
 : **BANK OF NEW YORK AS INDENTURE**  
 : **TRUSTEE FOR PAYMENT OF**  
 : **COMPENSATION AND REIMBURSEMENT**  
 : **OF EXPENSES**  
 :  
 :  
 -----X

Total Fees and Disbursements Sought \$110,872.04  
 plus \$750 in  
 estimated time  
 and  
 disbursements

<u>Name of Professional</u>	<u>Year Admitted</u>	<u>Hours Engaged</u>	<u>Rate</u>	<u>Total</u>	<u>Fees Charged for Similar Non-Bankruptcy Work</u>		<u>Time Records Submitted</u>
					<u>Rate</u>	<u>Percentage</u>	
<u>The Bank of New York</u>	(postpetition)						
Jack Stevenson Vice President/Manager	N/A	32.5	\$295/hr.	\$9,587.50	Same	100%	See Exhibit A
William Cunningham Vice President	N/A	46.25	\$250/hr.	\$11,562.50	Same	100%	See Exhibit A

(plus prepetition administrative fees of \$8,800).



Hearing Date: October 30, 1998  
Time: 9:30 a.m.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

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**APPLICATION OF THE BANK OF NEW YORK  
AS INDENTURE TRUSTEE FOR PAYMENT OF  
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

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

The Bank of New York, indenture trustee under (a) the Indenture between Home Holdings Inc. and The Bank of New York, Trustee, dated as of December 28, 1993, for \$100,000,000 of 7% Senior Notes due December 15, 1998, as supplemented by a First Supplemental Indenture dated as of June 5, 1995; (b) the Indenture between Home Holdings Inc. and The Bank of New York, Trustee, dated as of December 28, 1993, for \$180,000,000 of 7-7/8% Senior Notes due December 15, 2003, as supplemented by a First Supplemental Indenture dated as of June 5, 1995; and (c) the Indenture between Home Holdings Inc. and The Bank of New York, Trustee, dated as of August 22, 1995, for \$180,000,000 of 7-7/8% Senior Sinking Fund Notes due December 15, 2003; as and for its application for payment of indenture trustee compensation and reimbursement of expenses, including compensation and reimbursement of expenses of its counsel (this "Application")

pursuant to Sections 503 and 507 of title 11 of the United States Code (the "Bankruptcy Code"), respectfully represents as follows:

**I. Jurisdiction And Venue**

1. This Court has jurisdiction over this case and this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of this case and this Application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

**II. Background**

2. On or about December 28, 1993, the Debtor entered into two separate indentures with The Bank of New York, as trustee (the "Trustee"), pursuant to which the Debtor issued \$100,000,000 of 7% Senior Notes due December 15, 1998 and \$180,000,000 of 7-7/8% Senior Notes due December 15, 2003 (the "1993 Indentures"). On or about August 22, 1995, the Debtor entered into an indenture with the Trustee pursuant to which the Debtor issued \$180,000,000 of 7-7/8% Senior Sinking Fund Notes due December 15, 2003 (the "1995 Indenture," and together with the 1993 Indentures, the "Indentures").

3. On January 15, 1998 (the "Filing Date"), a voluntary petition under chapter 11 of the Bankruptcy Code was filed on behalf of Home Holdings Inc. (the "Debtor").

4. On June 3, 1998, the Debtor filed a Revised Third Amended And Restated Plan Of Reorganization Of Home Holdings Under Chapter 11 Of The Bankruptcy Code (the "Plan").

5. By order dated June 9, 1998, the Plan was confirmed.

### III. Preliminary Statement

6. By this Application, the Trustee seeks allowance as administrative expenses of (a) the unpaid indenture trustee compensation payable to the Trustee under each of the Indentures and (b) reimbursement of expenses, including attorneys' fees and expenses, incurred shortly prior to and during the course of this chapter 11 case by the Trustee under each of the Indentures.<sup>1</sup> Such compensation and reimbursement of expenses of the Trustee are allowable as administrative expenses pursuant to sections 503(b)(3)(D), (b)(4) and (b)(5), and constitute a priority claim under section 507(a)(1) of the Bankruptcy Code. Payment of such compensation and reimbursement of expenses is also required under the terms of each of the Indentures.

7. This Application is filed with the support of the Debtor and in connection with sections 2.2 and 8.11(b) of the Plan. This Application is also supported by the official committee of unsecured creditors in this case (the "Creditors' Committee"). These entities support the allowance as administrative expenses of the Trustee's unpaid indenture trustee compensation and reimbursement of expenses in recognition of the Trustee's contribution to this case and to prevent reduction of distributions to noteholders under each of the Indentures (the "Noteholders"). In addition, the amount necessary to satisfy the

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<sup>1</sup> The Trustee's prepetition unpaid compensation and reimbursement of expenses, including attorneys' fees and expenses, are included in the Trustee's proof of claim filed with the Court.

compensation and expenses sought under this Application has been reserved by the Debtor and transferred to an account maintained by the Trustee pursuant to a Stipulation and Order approved by this Court on July 17, 1998.

8. This is the Trustee's first application for unpaid indenture trustee compensation and reimbursement of expenses, including attorneys' fees and expenses. Neither the Trustee nor its counsel have received prior compensation in this case. This is the Trustee's final such application in this case.

**IV. Compensation Sought and the Basis of the Request**

9. The total amount sought by the Trustee in this Application is \$110,872.04 (plus \$750 in estimated time and disbursements incurred after August 31, 1998). Specifically, for the postpetition period, the Trustee seeks \$18,777.50 in unpaid indenture trustee compensation and \$46,209.51 as reimbursement of fees and expenses of Luskin, Stern & Eisler LLP ("LS&E"), the Trustee's bankruptcy counsel. The Trustee also seeks for the postpetition period \$5,000 as reimbursement of fees and expenses of its former counsel, Sullivan & Cromwell ("S&C"). For the prepetition period, the Trustee seeks \$12,032.03 in unpaid indenture trustee compensation and \$28,853 for reimbursement of fees and expenses of S&C incurred immediately prior to the commencement of this chapter 11 case.

10. Annexed hereto as Exhibits "A," "B" and "C," respectively, are: a summary of the time spent by the Trustee with a breakdown of hours plus an invoice for prepetition

administrative work; a summary of services performed by S&C with a breakdown of hours; and the time records of LS&E. Annexed hereto as Exhibit "D" is a schedule of expenses reflecting amounts for which reimbursement is requested. The expenses for which the Trustee and its counsel seek reimbursement do not include overhead and are not being charged above cost.

11. Annexed hereto as Exhibit "E" is a schedule of the Trustee's attorneys and paraprofessionals from LS&E, who worked on this case, and for each attorney and paraprofessional, their date of admission to the bar (where applicable), their current hourly billing rate and the value of total time expended. It is respectfully submitted that given the issues confronted and the work performed, the hourly rates are reasonable and are commensurate with fees LS&E customarily charges in other cases, as well as with fees charged by other attorneys of comparable experience and expertise.

#### **V. Summary Of Services Rendered**

12. The services rendered by the Trustee, and by counsel on the Trustee's behalf, in connection with this chapter 11 case were necessary and conferred a direct benefit on the entire estate. The following is a summary of some of the services performed by the Trustee and its counsel in this case. The Court is respectfully referred to the annexed time records and summaries for a more complete description of such services.<sup>2</sup>

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<sup>2</sup> Under section 7.7 of each of the 1993 Indentures and section 8.7 of the 1995 Indenture, the Trustee is entitled to "such compensation as the [Debtor] and the Trustee shall agree in

A. Prepetition

13. Preceding the commencement of this case, the Trustee, and its counsel S&C, addressed and analyzed the impact of the March 3, 1997 Order of Supervision of the Debtor issued by the New Hampshire Insurance Department, including whether the Order of Supervision constituted an event of default under each of the Indentures. The Trustee and its counsel also addressed issues relating to the Debtor's default under each of the Indentures due to its failure to make certain interest payments in June of 1997.

B. Postpetition

14. Shortly after the case was filed, S&C prepared and filed a proof a claim on behalf of the Noteholders and sought the appointment of the Trustee to the Creditors' Committee. Thereafter, the Trustee retained LS&E as its bankruptcy counsel.

15. Much of the activity of the Trustee and LS&E concerned analyzing the Plan to insure that the Plan was fair and equitable to the Noteholders. The Trustee served as a member of the Creditors' Committee. The Plan was negotiated prepetition by an unofficial prepetition committee consisting of three significant Noteholders. Those Noteholders also served on the

(..continued)  
writing for its services." The Trustee is entitled to compensation for routine administrative services under a fee schedule agreed to by the Debtor. For extraordinary services, the Trustee charges between \$250 and \$290 per hour for its senior officers. In addition, under section 7.7 of each of the 1993 Indentures and section 8.7 of the 1995 Indenture, the Trustee is authorized to receive and apply any distributions to Noteholders under the Plan first to the payment of its compensation and expenses.



Creditors' Committee. However, to insure that all Noteholders were properly represented (including smaller Noteholders), the Trustee served on the Creditors' Committee. In this regard, the Trustee interfaced with all the parties including the other members of the Creditors' Committee, their counsel and financial advisors, the Debtor's counsel, and counsel for the New Hampshire Insurance Department.

16. The Trustee and LS&E reviewed objections to plans and disclosure statements filed by AmBase Corporation ("AmBase"), Whitman Corporation ("Whitman") and Seymour Licht. The Trustee and LS&E also consulted with counsel to, and members of, the Creditors' Committee regarding AmBase's and Whitman's objections, and later reviewed the terms of a settlement of AmBase's objection.

17. The Trustee and LS&E performed a detailed analysis of all the disclosure statements and chapter 11 plans filed in this case. The Plan was the fourth chapter 11 plan of reorganization filed by the Debtor. The Trustee and LS&E reviewed each of the prior plans as it was filed, along with related motions. The Trustee and LS&E conferred (in person and telephonically) on numerous occasions to discuss issues relating to these plans and their effect on the Noteholders. In addition, the Trustee, through its counsel, was in communication with Debtor's counsel in an effort to insure that Noteholders voting on the Plan were provided adequate and timely notice of a Plan modification filed after voting was completed in this case.

18. LS&E performed a detailed analysis of the Aggregate Excess of Loss Reinsurance Agreement dated as of June 12, 1995 between the Debtor's subsidiary, Home Insurance Company ("Home Insurance"), and Centre Reinsurance International Company to determine whether Home Insurance could declare dividends to the Debtor to fund payments to the Noteholders which would exceed proposed distributions to the Noteholders under the Plan. This analysis resulted in the Trustee determining that the Plan appeared to satisfy the best interest of creditors and fair and equitable standards of section 1129 of the Bankruptcy Code and would give the Noteholders the chance to vote on and participate under a Plan which would provide some cash distributions to them in the near future.

19. Finally, LS&E drafted and filed objections to prior plans based on their failure to conform to each of the Indentures and provide for consideration payable to the Noteholders to be paid through the Trustee, and for their failure to provide for payment to the Trustee of its indenture trustee compensation and reimbursement of expenses (including fees and expenses of its counsel). These issues were resolved favorably to the Noteholders. The parties agreed that the Trustee would not satisfy its fees and expenses from the Noteholders' distributions, which it was permitted to do, but instead would file this fee application and, if unsuccessful, seek satisfaction of its fees and expenses from Zurich Reinsurance Centre

Holdings.<sup>3</sup> In addition, as part of this agreement the Trustee released its lien on the Noteholders' distributions to permit the distributions to be paid directly to the Noteholders without first satisfying the Trustee's claims. A stipulation providing for this was entered into by the Trustee, the Debtor and the Creditors' Committee and approved by this Court.

**VI. The Application Should Be Granted**

20. The Trustee's unpaid indenture trustee compensation and reimbursement of expenses, including fees and expenses of the Trustee's counsel, constitute administrative expenses and, accordingly, this Application should be granted.

**A. Substantial Contribution**

21. The compensation and reimbursement of expenses sought by the Trustee are allowable as administrative expenses pursuant to sections 503(b)(3)(D), (b)(4) and (b)(5) of the Bankruptcy Code, and are therefore entitled to priority under section 507(a)(1) of the Bankruptcy Code.

22. Under sections 503(b)(3)(D) and (b)(5), actual and necessary expenses incurred, and reasonable compensation for services rendered, by an indenture trustee in connection with a chapter 11 case constitute administrative expenses provided they provide "substantial contribution" to the estate. To the extent an indenture trustee's expenses are allowable under section 503(b)(3)(D) of the Bankruptcy Code, section 503(b)(4) confers

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<sup>3</sup> The parties' agreement on this issue was read into the record at the confirmation hearing and incorporated into the Plan.

administrative expense priority for reasonable compensation for professional services rendered, and reimbursement of actual, necessary expenses incurred, by an attorney on behalf of such indenture trustee.<sup>4</sup>

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<sup>4</sup> Section 503 provides in pertinent part:

(b) After notice and a hearing, there shall be allowed administrative expenses, other than claims allowed under section 502(f) of this title, including -

\* \* \*

(3) the actual, necessary expenses, other than compensation and reimbursement specified in paragraph (4) of this subsection, incurred by -

\* \* \*

(D) a creditor, an indenture trustee, an equity security holder, or committee representing creditors or equity security holders other than a committee appointed under section 1102 of this title, in making a substantial contribution in a case under chapter 9 or 11 of this title;

\* \* \*

(4) reasonable compensation for professional services rendered by an attorney or an accountant of an entity whose expense is allowable under paragraph (3) of this subsection, based on the time, the nature, the extent, and the value of such services, and the cost of comparable services other than in a case under this title, and reimbursement for actual, necessary expenses incurred by such attorney or accountant;

(5) reasonable compensation for services rendered by an indenture trustee in making a substantial contribution in a case under chapter 9 or 11 of this title, based on the time, the nature, the extent, and the value of such services, and the cost of comparable services other than in a case under this title . . . .

23. The services rendered, and the actual and necessary expenses incurred, by the Trustee provided a substantial contribution to this chapter 11 case. Accordingly, this Application should be granted.

24. The term "substantial contribution" is not defined by the Bankruptcy Code. However, "courts have found that an applicant satisfies the substantial contribution test when it has provided `actual and demonstrable benefit to the debtor's estate, its creditors, and to the extent relevant, the debtor's shareholders.'" In re Best Products Co., 173 B.R. 862, 865 (Bankr. S.D.N.Y. 1994)(quoting In re U.S. Lines, Inc., 103 B.R. 427, 429 (Bankr. S.D.N.Y. 1989)); see also Lebron v. Mechem Financial Inc., 27 F.3d 937, 943-44 (3d Cir. 1994)("The services engaged by creditors, creditor committees and other parties interested in a reorganization . . . are reimbursable if, but only if, the services `directly and materially contributed' to the reorganization." (citations omitted)). Factors to consider in assessing whether services provided a substantial contribution include "whether the services were provided to benefit the estate itself or all the parties in the bankruptcy case; whether the services conferred a direct, significant and demonstrably positive benefit upon the estate; and whether the services were duplicative of services performed by others." In re Best Products Co., 173 B.R. at 865 (citing In re FRG, Inc., 124 B.R. 653, 658 (Bankr. E.D. Pa. 1991); In re Buttes Gas & Oil Co., 112 B.R. 191, 194 (Bankr. S.D. Tex. 1989)); See In re Baldwin-United

Corp., 79 B.R. 321, 338 (Bankr. S.D. Ohio 1987). Nevertheless, the absence of any statutory guidance and "[t]he imprecision of these terms reflects the inherent imprecision of the inquiry generally [and] [u]ltimately, what constitutes a substantial contribution must be left to the informed discretion of the Court based on the time sheets and other relevant evidence . . . ." In re Baldwin-United Corp., 79 B.R. at 338.

25. The services rendered and expenses incurred by the Trustee during this chapter 11 case conferred a direct and positive benefit on the entire estate and were not duplicative of services performed by other parties in the case. As the representative of holders of the large majority of the Debtor's unsecured claims, the Trustee and its counsel were required to review and analyze four chapter 11 plans filed by the Debtor with the Court and the accompanying disclosure statements, the AmBase, Whitman and Seymour Licht objections to these plans and other case-related documents, correspondence, motions and memoranda, including the plan consummation documents. The Trustee participated on behalf of all Noteholders in conferences with the Creditors' Committee and its counsel and reviewed and responded to related correspondence and memoranda. The Trustee submits that its analysis of these plans and its participation in the plan confirmation process on behalf of the Noteholders substantially contributed to the consummation of this chapter 11 case. In addition, the Trustee worked with the Debtor and the Creditors' Committee to implement a mechanism whereby the Trustee

would release its lien on the Noteholders' distributions.

26. The "substantial contribution" test was enacted "to promote meaningful creditor participation in the reorganization process. . . ." In re Best Products Co., 173 B.R. at 865. Accordingly, "[c]ompensable services are those which facilitate progress of the case, In re K-Fab, Inc., 118 B.R. 240, 242 (Bankr. M.D. Pa. 1990), rather than those which retard or interrupt. In re Richton International Corp., 15 B.R. 854, 856 (Bankr. S.D.N.Y. 1981)." In re Best Products Co., 173 B.R. at 865.

27. As is set forth above, the size and complexity of this chapter 11 case, and the speed with which it was confirmed, distinguished this case from others and required the active participation of all significant parties in interest. The Trustee's participation facilitated this case's speedy and successful resolution.

28. In fact, the Debtor and the Creditors' Committee have recognized the Trustee's contribution, and, so as not to penalize the Noteholders from whom the Trustee's fees and expenses would otherwise be collected, both support this Application. The Debtor has also agreed, in section 8.11(b) of the Plan, to support an application by the Trustee for reimbursement of prepetition fees and expenses under section 503(b) of the Bankruptcy Code.

29. "The allowance and . . . value of administrative expenses under sections 503(b)(3)(D) and (4) is left to the broad

discretion of the bankruptcy judge." In re American Preferred Prescription, Inc., 194 B.R. 721, 727 (Bankr. E.D.N.Y. 1996)(citing In re Lister, 846 F.2d 55, 56 (10th Cir. 1988)). Based on the circumstances of this case as set forth above, it is respectfully submitted that the granting of this Application falls well within this Court's discretion. See In re Boston and Maine Corp., 62 B.R. 196, 198 (D. Mass. 1986)(holding in a case decided under the similar standards of the Bankruptcy Act that "[t]he efforts of the [indenture trustees] and [their] counsel were of benefit to the . . . bondholders, but the effect of [their] efforts transcended that goal and also was a benefit to the entire estate."); In re White Motor Credit Corp., 50 B.R. 885, 907-08 (Bankr. N.D. Ohio 1985)(granting indenture trustee fee applications); In re Penn Dixie Indus., Inc., 18 B.R. 834, 838 (Bankr. S.D.N.Y. 1982)("The services rendered herein [by the indenture trustee and its counsel] have been documented and are payable . . . based upon substantial contribution to these cases . . .").

30. Accordingly, the Trustee's request for allowance as administrative expenses of unpaid indenture trustee compensation and reimbursement of expenses should be granted.



**VII. Waiver of Memorandum of Law/No Prior Request**

31. Applicable statutory and case authority is cited herein. The Trustee therefore requests a waiver of the requirement of Local Bankruptcy Rule 9013-1(b) that a separate memorandum of law be submitted. No prior request for the relief requested herein has been made to this or any other Court.

**WHEREFORE,** the Trustee requests entry of the proposed order annexed hereto as Exhibit E:

(A) Approving the allowance as administrative expenses of the Trustee's unpaid indenture trustee compensation in the amount of \$29,950.00 and reimbursement of expenses (other than the amounts in paragraph (B) below) in the amount of \$859.53;

(B) Approving the allowance as administrative expenses of attorneys' fees and expenses incurred by the Trustee, as follows:

(i) Luskin, Stern & Eisler LLP -  
\$43,787.25 of fees and \$2,422.26 of  
disbursements plus \$750 in time and  
disbursements incurred after August 31, 1998;

(ii) Sullivan & Cromwell - \$33,853.00  
of fees; and

(C) Directing payment by the Debtor of such administrative expenses.

Dated: New York, New York  
September 23, 1998

**LUSKIN, STERN & EISLER LLP**  
Attorneys for The Bank of New  
York, as Indenture Trustee

By: s/Nathan M. Eisler  
Nathan M. Eisler (NE 1661)  
A Member of the Firm

330 Madison Avenue  
New York, New York 10017  
(212) 293-2700

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

**NATHAN M. EISLER**, being duly sworn, deposes and says:

1. I am a member of the firm of Luskin, Stern & Eisler LLP ("LS&E") which maintains offices for the practice of law at 330 Madison Avenue, New York, New York 10017. LS&E has acted as counsel to and rendered professional services on behalf of The Bank of New York, as Indenture Trustee (the "Trustee").

2. This affidavit is submitted pursuant to Bankruptcy Rule 2016 in connection with that portion of the Trustee's application which covers compensation and expenses for LS&E's services for the period February 19, 1998 through the date of this application in the amount of \$43,787.25 and for reimbursement of expenses in the amount of \$2,422.26. The compensation sought by the Trustee on account of LS&E's services is for services performed for and on behalf of the Trustee and not on behalf of any other person.

3. No agreement or understanding exists between LS&E and any other entity for the sharing of compensation received or

to be received for services rendered in or in connection with  
this case.

s/Nathan M. Eisler  
NATHAN M. EISLER (NE 1661)

Sworn to before me this  
23rd day of September, 1998.

s/Elizabeth Quinn  
Notary Public

Commission Expires November 1999

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

**ROBINSON B. LACY**, being duly sworn, deposes and says:

1. I am a member of the firm of Sullivan & Cromwell ("S&C") which maintains offices for the practice of law at 125 Broad Street, New York, New York 10004-2498. S&C has acted as counsel to and rendered professional services on behalf of The Bank of New York, as Indenture Trustee (the "Trustee").

2. This affidavit is submitted pursuant to Bankruptcy Rule 2016 in connection with that portion of the Trustee's application which covers the compensation and expenses relating to S&C's services for the period April 1, 1997 through March 31, 1998 in the amount of \$33,853. The compensation sought by the Trustee on account of S&C's services is for services performed for and on behalf of the Trustee and not on behalf of any other person.

3. No agreement or understanding exists between S&C and any other entity for the sharing of compensation received or

to be received for services rendered in or in connection with  
this case.

s/Robinson B. Lacy  
ROBINSON B. LACY (RL 8282)

Sworn to before me this  
28th day of August, 1998.

Jude A.J. Cameron  
Notary Public

Commission Expires June 16, 1999

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

**CERTIFICATION IN SUPPORT OF APPLICATION OF  
THE BANK OF NEW YORK, AS INDENTURE TRUSTEE FOR  
PAYMENT OF COMPENSATION AND REIMBURSEMENT OF  
EXPENSES AS IT RELATES TO LUSKIN, STERN & EISLER LLP**

Pursuant to (i) the Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, (ii) the Administrative Order with respect to Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases (issued April 19, 1995) and (iii) the United States Trustee guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. Section 330 issued by the Executive Office for the United States Trustees on January 30, 1996 (collectively, the "Guidelines"), the undersigned, a member of the firm of Luskin, Stern & Eisler LLP ("LS&E"), hereby certifies with respect to that portion of the Application of The Bank of New York, As Indenture Trustee, For Payment of Compensation And Reimbursement of Expenses that relates to the services of LS&E (the "Application"), as follows:

**A.           Certification**

1.     I am the "Certifying Professional" as defined in the Guidelines. I have read the Application, and certify that to the best of my knowledge, information and belief, formed after reasonable inquiry, except as specifically indicated to the contrary, (a) the Application complies with the Guidelines, (b) the fees and disbursements sought by LS&E for this compensation period fall within the Guidelines, and (c) the fees and disbursements sought by LS&E are billed at rates, and in accordance with practices, customarily employed by LS&E and generally accepted by LS&E's clients.

2.     The Application is brought pursuant to Sections 503 and 507 of the Bankruptcy Code. LS&E did not provide counsel to Home Holdings and the United States Trustee with the Application in advance of filing it with the Court. However, this Application is being filed pursuant to a stipulation between the parties so ordered by this Court and in accordance with the confirmed Plan. In addition, counsel to Home Holdings and the Creditors' Committee are aware of the approximate amount sought in this Application and Home Holdings, as part of a stipulation and order, has transferred to the Trustee \$110,000 to be applied by the Trustee upon approval of this Application.

3.     No agreement or understanding exists between LS&E and any other person for a division of compensation herein, and no agreement prohibited by section 504 of the Bankruptcy Code and Rule 2016 of the Bankruptcy Rules has been made.



**B. Compliance with Specific Guidelines Regarding Time Records**

4. To the best of my knowledge, information and belief, formed after reasonable inquiry, LS&E complies with all of the Guidelines as to the recording of time by LS&E's professionals and paraprofessionals.

**C. Description of Services Rendered**

5. I certify that the Application sets forth (a) the amount of fees and disbursements sought, (b) the time period covered by the Application, (c) the total professional and paraprofessional hours expended, and further that the schedules and the exhibits to the Application show (i) with respect to that portion of the application which reflects services by LS&E, the name of each professional and paraprofessional, with is or her position at LS&E, (ii) the year that each attorney was licensed to practice law in New York and (iii) the hours worked by each professional and paraprofessional.

**D. Reimbursement for Expenses and Services**

6. In connection with the Trustee's request for reimbursement of services and out-of-pocket expenses on account of LS&E's services, I certify to the best of my knowledge, information and belief, formed after reasonable inquiry, (a) LS&E has not included in the amounts billed a profit in providing those services for which reimbursement is sought in the Application; (b) LS&E has not included in the amounts billed for such services any amounts for amortization of the cost of any investment, equipment or capital outlay; and (c) amounts billed

for purchases or services from outside third-party vendors are billed in the amounts paid by LS&E to such vendors.

7. I also certify to the best of my knowledge, information and belief, formed after reasonable inquiry, the amounts requested in the Application for reimbursement of expenses incurred by LS&E fully comply with the Guidelines.

8. I further certify to the best of my knowledge, information and belief, formed after reasonable inquiry, LS&E's charges for overtime secretarial services for which reimbursement is sought does not include LS&E's overhead for the purpose of setting billing rates.

Dated: New York, New York  
September 23, 1998

s/Nathan M. Eisler  
Nathan M. Eisler (NE 1661)

**EXHIBIT A**

**Summary of Time Spent By  
The Bank of New York, as Indenture Trustee**

Name: Jack Stevenson  
Title: Vice President/Manager  
Hourly Rate: \$295/hour  
Prepetition Time: March 1997 - 3.00 hours (3/11; 3/13; 3/14)  
April 1997 - 1.00 hour (4/8)  
June 1997 - 1.00 hour (6/19)  
July 1997 - .50 hour (7/8)  
Postpetition Time: January 1998 - 2.25 hours (1/23; 1/26; 1/27;  
1/29)  
February 1998 - 10.00 hours (2/6; 2/11; 2/12;  
2/13; 2/17; 2/18;  
2/19; 2/25; 2/26;  
2/27)  
March 1998 - 6.50 hours (3/2; 3/4; 3/11;  
3/13; 3/23)  
April 1998 - 4.60 hours (4/9; 4/14; 4/17;  
4/20; 4/21)  
May 1998 - 1.90 hours (5/3; 5/19; 5/26;  
5/27; 5/29)  
July 1998 - 1.75 hours (7/1; 7/2; 7/8;  
7/9; 7/17)

Name: William Cunningham  
Title: Vice President  
Hourly Rate: \$250/hour  
Prepetition Time: 3.00 hours (Balance from 1996)  
Postpetition Time: January 1998 - 6.75 hours (1/16; 1/21; 1/26;  
1/27; 1/29))  
February 1998 - 11.25 hours (2/3; 2/11; 2/12;  
2/17; 2/18; 2/25;  
2/26; 2/27)  
March 1998 - 9.00 hours (3/2; 3/3; 3/4;  
3/11; 3/19; 3/30)  
April 1998 - 9.75 hours (4/3; 4/8; 4/9;  
4/17; 4/20; 4/21;  
4/22; 4/30)  
May 1998 - 3.50 hours (5/13; 5/21; 5/22)  
June 1998 - 1.50 hours (6/3; 6/30)  
July 1998 - 1.50 hours (7/21)

Miscellaneous out-of-pocket expenses

including postage, telephone, express mail ..... \$859.53

Summary of Services Rendered

Services performed by The Bank of New York, as Indenture Trustee include: addressing two defaults by debtor, addressing actions by New Hampshire Department of Insurance; serving on Creditors' Committee as representative of bondholders; review and analysis of plans and disclosure statement; preparing and filing proof of claim on behalf of all Noteholders; communications with counsel to The Bank of New York, counsel to the Creditors' Committee and financial advisors to the Creditors' Committee.

INVOICE

**THE BANK OF NEW YORK**

NEW YORK'S FIRST BANK - FOUNDED 1784 BY ALEXANDER HAMILTON

Date: 12/18/1997

Page: 1

DEBT OPERATIONS BILLING DEPARTMENT

101 BARCLAY STREET - 12W

NEW YORK, N.Y. 10286

1 (212) 815-2790 or 6323

5092

Invoice: AC36318

Account: 130-130352

Issue:

HOME HOLDINGS INC.

7% SENIOR NOTES DUE 1998

7 7/8% SENIOR NOTES DUE 2003

HOME HOLDINGS, INC.

59 MAIDEN LANE - 28TH FLOOR

NEW YORK, NY 10038

ATTN: MR. MARK DAVIDOWITZ - ASST. VICE PRES

Please make check payable to:  
The Bank of New York

For services rendered as: Registrar Paying Agent Trustee

From: 12/29/1997 To: 12/28/1998

QTY	DESCRIPTION	RATE	
2	ANNUAL ADMINISTRATION FEE PER ISSUE	4,000.00000	8,000.00
2	ANNUAL REGISTRAR FEE	400.00000	800.00
Sub-Total ----->			8,800.00
Miscellaneous out-of-pocket expenses including postage, stationery, supplies, telephones express mail, IRS forms etc. (if applicable).			859.53
Total ----->			9,659.53

YOUR PAYMENT IS DUE AT THIS TIME. A LATE FEE WILL BE IMPOSED ON PAYMENTS NOT RECEIVED WITHIN 30 DAYS.

**EXHIBIT B**

**Summary of Time Spent By Sullivan & Cromwell,  
as Counsel to The Bank of New York, as Indenture Trustee**

Prepetition Time

August 20, 1997 Statement (copy attached) (covers period from 4/1/97 to 7/1/97): \$27,000

Breakdown:	Erik Lindauer (Partner)	10.00 hours
	Robinson B. Lacy (Partner)	1.75 hours
	Paralegals	134.75 hours

February 11, 1998 Statement (copy attached) (covers period from 8/1/97 to 1/15/97): \$1,853

Breakdown:	Erik Lindauer (Partner)	1.75 hours
	Robinson B. Lacy (Partner)	1.00 hours
	Paralegal	3.25 hours

Postpetition Time

April 20, 1998 Statement (copy attached) (covers period from 1/16/98 to 3/31/98): \$5,000

Breakdown:	Erik Lindauer (Partner)	1.50 hours
	Robinson B. Lacy (Partner)	7.50 hours
	William Farris (Special Counsel)	4.50 hours
	Paralegals	1.00 hours

**SULLIVAN & CROMWELL**

*125 Broad Street  
New York 10004-2498*

April 20, 1998

THE BANK OF NEW YORK

*in account with Sullivan & Cromwell,*

**DUPLICATE**

*Taxpayer Id # 13-5420320*

*Ref. 0317494*

For professional services to The Bank of New York as Indenture Trustee under three Indentures between Home Holdings Inc. and The Bank of the New York, from January 16 through March 31, 1998, in connection with a bankruptcy case pending in the United States Bankruptcy Court for the Southern District of New York entitled In re Home Holdings Inc., such services having included review of the bankruptcy petition, supporting affidavits and schedules, and notices relating to commencement of the case; telephone discussions with the United States Trustee's office concerning, and preparation of an application for, appointment of The Bank of New York to the creditors committee; advice concerning the schedule for proceedings in the case; and preparation and submission of a proof of claim.

Partners 10.25 hours

Associates 4.50 hours

Paralegals 1.00 hour

Our Fee,

\$ 5,000.00

SULLIVAN & CROMWELL

125 Broad Street  
New York, 10004

August 20, 1997

THE BANK OF NEW YORK COMPANY, INC.

**Duplicate** *in account with Sullivan & Cromwell,*  
Taxpayer Id # 13-5420320 Ref. 0310432

In full for professional services rendered from April 1 through July 31, 1997 in connection with advice rendered to Robert Sussman, Marie Trimboli and others concerning potential defaults under the Indenture dated as of December 28, 1993 between Home Holdings Inc. and The Bank of New York, Trustee, relating to an order of supervision issued by the New Hampshire Insurance Department and a delay in the payment of interest.

Our Fee,

\$ 27,000.00



**EXHIBIT C**

August 31, 1998

Billed through 08/31/98

Bill number 468-00002-014 NME

The Bank of New York  
Legal Department  
One Wall Street - 15th Floor  
New York, New York 10286  
Attn: Mr. Robert G. Ilsley III, AVP  
Financial Support Officer

Re: Home Holdings Inc.

FOR PROFESSIONAL SERVICES RENDERED

02/19/98 NME	telephone calls with J. Stevenson (2) re: background, request from Creditors' Committee for trustee's position on plan of reorganization, proposed letter from committee as to plan position; office conference with L. Jones re: same; telephone call with L. Jones re: issues on disclosure statement and terms of senior notes	.80 hrs
02/19/98 LLJ	conference with N. Eisler re: background; review plan and disclosure statement and scheduling order; prepare memorandum re: background, plan issues; prepare notice of appearance; review docket sheet	5.20 hrs
02/20/98 NME	review memorandum re: plan of reorganization and related issues; review order setting hearing on disclosure statement; review docket sheet; review disclosure statement and plan of reorganization	1.30 hrs
02/23/98 LLJ	review proof of claim	.25 hrs
02/24/98 NME	receipt and review of objection to disclosure statement filed by U.S. Trustee	.20 hrs
02/24/98 LLJ	telephone call with J. Stevenson re: disclosure statement, plan; review U.S. Trustee objection to disclosure statement	.25 hrs
02/25/98 NME	telephone call with J. Stevenson and W. Cunningham re: review of plan issues; telephone call with E. Siegert and J. Cleveland re: business analysis; review disclosure statement; receipt and review of GECC objection to disclosure statement, order approving Houlihan Lokey engagement	1.60 hrs

02/25/98 LLJ	telephone call with J. Stevenson, W. Cunningham re: disclosure statement; plan issues; correspondence with K. Marifioti re: same; telephone call with P. Wolfson re: Ambase objection; review GECC objection; review petition, statement of financial affairs, intitial order, balloting procedures; correspondence with W. Cunningham re: same	3.00 hrs
02/26/98 LLJ	lengthy conference call with J. Cleveland (Houlihan Lockey), W. Cunningham, J. Stevenson re: plan, disclosure statement, distributions; telephone call with J. Stevenson re: BNY connections with Zurich; review Ambase objection, Licht objection; review response to objection from debtor and amended plan and disclosure statement; telephone call with K. Marfioti re: amount of outstanding notes	4.30 hrs
02/26/98 NME	review and revise draft letter to K. Marafioti re: claim amount; receipt and review of order settling plan and voting solicitation procedures, objections to disclosure statement from Ambase and GECC; conference telephone call with J. Stevenson, Wm. Cunningham, J. Cleveland and L. Jones re: valuation of consideration to be paid to noteholders under plan of reorganization, subordination termination, releases, liquidation analysis, etc.; telephone call with J. Stevenson re: order directing Bank of New York to deliver lists of shareholders and noteholders	2.40 hrs
02/27/98 NME	receipt and review of reply to objections to disclosure statement, revised disclosure statement and plan of reorganization; review indentures re: ability of trustee to maintain other business relationships with note issuer's affiliates; review statutory provisions regulating same; telephone call with J. Stevenson and Wm. Cunningham re: conflict of interest issues, meeting at Skadden Arps to attempt to resolve Ambase objection to disclosure statement; telephone call with L. Jones re: same	1.40 hrs
02/27/98 BS	file Notice of Appearance in Bankruptcy Court	.50 hrs
02/28/98 LLJ	numerous telephone calls with T. Princi, K. Marifioti, N. Eisler, J. Stevenson, W. Cunningham re: 3/2 meeting, disclosure statement hearing; memorandum to file re: same	1.00 hrs
03/02/98 LLJ	telephone call with T. Princi re: disclosure statement; review memorandum from T. Princi re: same	.30 hrs
03/02/98 NME	office conference with L. Jones re: letter to noteholders, debtor's request not to attend March 2 meeting at Skadden, Arps, etc.; telephone call with M. Patterson re: same	.40 hrs

03/03/98 LLJ	attend continued disclosure statement hearing; conference with N. Eisler re: trustee's right to offset distributions for fees, release issue	2.50 hrs
03/03/98 NME	review expense reimbursement provisions of indenture re: ability of trustee to recoup fees and expenses from payments to noteholders, right to administrative expense claim; office conference with L. Jones re: same and results of hearing on disclosure statement; receipt and review of correspondence from T. Princi re: same; review 1995 agreement among Zurich entities, Home entities and AmBase modifying reinsurance limitation	1.20 hrs
03/04/98 LLJ	attend meeting with J. Stevenson, W. Cunningham, N. Eisler and A. Princi at Anderson Kill re: reinsurance issue; review revised disclosure statement and correspondence to J. Stevenson re: same	3.00 hrs
03/04/98 ML	office conference with N. Eisler re: litigation issues on upstream dividend and related	.50 hrs
03/04/98 NME	review reinsurance agreement; telephone call with J. Stevenson re: same; meeting at Anderson Kill with J. Stevenson, Wm. Cunningham, L. Jones and A. Princi re: reinsurance and release issues; continue review of reinsurance agreement in light of Princi analysis; office conference with M. Luskin re: litigation assessment	3.90 hrs
03/05/98 NME	review prospectus re: description of terms of excess loss reinsurance agreement	.40 hrs
03/05/98 BS	telephone call with E. Lohman re: list of bondholders who have filed proofs of claim	.40 hrs
03/10/98 BS	telephone call with West Coast Copy re: proofs of claim	.50 hrs
03/12/98 NME	telephone call with J. Cleveland re: timing of payments under Excess of Loss Reinsurance Agreement, present value analysis; review reinsurance agreement re: conditions to payment, timing of payments, etc.; draft letter to Messrs. Cunningham and Stevenson re: analysis of reinsurance agreement, present value issues; review revised disclosure statement and plan of reorganization and related solicitation materials re: description of reinsurance agreement	5.50 hrs
03/13/98 NME	continue draft of letter analyzing Excess of Loss Reinsurance Agreement, review disclosure statement re: issues on same; telephone call with J. Cleveland re: estimated date of payment of all insurance claims; review proofs of claim; office conference with B. Sanabria re: hundreds of proofs of claim allegedly unaccounted for by claims agent, dismissal of McKenzie Partners, etc.	2.20 hrs

03/13/98	BS	travel to Bankruptcy Court for copies of proofs of claim and receive update on processing of proofs; telephone call with G. Boventi at Skadden re: proofs of claim	4.50 hrs
03/16/98	LLJ	review and revise correspondence to W. Cunningham re: litigation risks; conference with N. Eisler re: fees, indenture issues	.40 hrs
03/17/98	SG	review proofs of claim	1.50 hrs
03/18/98	LLJ	telephone call with A. Princi re: confirmation hearing and review correspondence re: same; review motion to expunge noteholder claims and correspondence to J. Stevenson re: same; review docket	1.00 hrs
03/19/98	LLJ	telephone call with S. Lovett re: status of Ambase settlement; review memorandum from A. Princi re: confirmation hearing; telephone call with W. Cunningham re: status	.40 hrs
03/23/98	NME	telephone call with J. Stevenson and L. Jones re: analysis of excess loss reinsurance agreement, additional due diligence	.50 hrs
03/23/98	LLJ	telephone call with N. Eisler, J. Stevenson re: plan issues; review memorandum from committee counsel re: plan, confirmation issues; review amended schedules and telephone call with Skadden re: same; telephone call with K. Marifiotti re: extension to object; prepare stipulation re: extension and correspondence to K. Marifiotti re: same	1.70 hrs
03/24/98	LLJ	correspondence to Court re: stipulation	.10 hrs
03/25/98	NME	telephone call with P. Wolfson re: AmBase theory to oppose proposed plan of reorganization, excess of loss reinsurance agreement	.70 hrs
03/25/98	LLJ	telephone call with P. Wolfson, N. Eisler re: AmBase's objection to confirmation; telephone call with Judge Gallet's chambers re: stipulation; review debtor's objection to AmBase's claim; review docket	1.40 hrs
03/26/98	LLJ	telephone call with W. Cunningham re: claims motion and our telephone call with P. Wolfson	.25 hrs
03/30/98	LLJ	telephone call with L. Anastos re: Ambase claim objection joinder and review same; telephone call with W. Cunningham re: Department of Insurance; telephone call with B. Harwood re: Department of Insurance	.80 hrs
03/31/98	LLJ	telephone call with Dr. S. Licht re: plan, committee issues; memorandum re: same	.70 hrs
04/01/98	LLJ	telephone call with K. Marifiotti re: claims objection order	.10 hrs
04/06/98	MN	retrieve docket from internet re: Home Holdings	.20 hrs
04/09/98	NME	telephone call with Wm. Cunningham, J. Stevenson and L. Jones re: position of insurance department on declaration of dividends, Ambase deposition, etc.	.30 hrs
04/09/98	LLJ	telephone calls with L. Anastos (2) re: confirmation, Ambase, fees; telephone call with	

	J. Stevenson, W. Cunningham re: confirmation, fees; review memorandum from committee	.75 hrs
04/13/98 NME	receipt and review of correspondence from Creditors' Committee's counsel re: AmBase discovery and adjournment request	.20 hrs
04/13/98 SG	office conference with N. Eisler, review proofs of claim and indenture, research grounds for objecting to plan	.50 hrs
04/13/98 MN	retrieve docket from internet	.20 hrs
04/14/98 SG	telephone call with S. Schwartz re: objection to confirmation; office conference with N. Eisler re: objection to confirmation; review indentures, review plan; legal research re: payment of trustee's fees under plan; review correspondence; draft letter to A. Rosenberg re: objection to confirmation; draft objection to confirmation	8.50 hrs
04/14/98 NME	analyze grounds for objection to plan of reorganization; review and revise draft letter to counsel for Zurich; telephone calls with J. Stevenson (2) re: same; receipt and review of objections to motion by policyholders for intervention	1.20 hrs
04/15/98 SG	draft and revise objection to confirmation; telephone call with S. Schwartz re: extension of time to file objection; draft stipulation and order extending time to object to plan; office conference with N. Eisler re: same	3.50 hrs
04/15/98 NME	office conference with S. Greisman re: extension of deadline to object to confirmation, grounds for objection, basis for amendment to plan of reorganization to permit payment in full to indenture trustee	.40 hrs
04/16/98 AF	travel to bankruptcy court re: filing of papers	1.00 hrs
04/16/98 SG	telephone call with Chambers (law clerk W. Rosenthal) re: stipulation extending time to object to plan; draft letter to Judge Gallet re: same; draft and revise stipulation re: extending time; coordinate electronic filing of same; draft letter to A. Rosenberg re: objection to confirmation	3.20 hrs
04/17/98 SG	draft and revise letter to Paul Weiss and Skadden re: Bank of New York Trustee's fees	2.20 hrs
04/17/98 NME	review and revise draft letter to A. Rosenberg and S. Schwartz re: trustee's claims, allowance and payments; telephone call with Messrs. Stevenson and Cunningham re: same	.40 hrs
04/19/98 SG	draft and revise objection to plan; research cases re: same	1.20 hrs
04/20/98 AF	travel to court re: filing of papers	1.00 hrs
04/20/98 NME	review and revise draft objection to confirmation of plan of reorganization re: failure to provide for payment of trustee's fees; telephone call with J. Stevenson re: same	.90 hrs
04/20/98 NME	telephone call with A. Princi and T. Kent re: proposed plan modification, notice to bond	

	holders; telephone call with J. Stevenson re: same, trustee's position, notice to bondholders; receipt and review of plan supplement documents	1.10 hrs
04/20/98 SG	draft and revise objection to confirmation; telephone call with S. Schwartz re: same; telephone call with Chambers re: same; finalize, serve and file objection	5.00 hrs
04/20/98 LLJ	review docket, recently filed pleadings	.25 hrs
04/20/98 BS	serve papers on Anderson Kill & Olick and on Paul, Weiss, Rifkind, Wharton & Garrison	1.00 hrs
04/20/98 MN	retrieve dockets from internet	.20 hrs
04/21/98 NME	receipt and review of AmBase objection to confirmation; conference telephone call with committee and committee counsel re: proposed modification of plan of reorganization to re-classify AmBase claim	2.50 hrs
04/21/98 LLJ	review AmBase confirmation objection; conference with N. Eisler re: potential AmBase settlement and issues for Bank of New York to consider	.60 hrs
04/21/98 AF	travel to court re: deliver papers to chambers	.70 hrs
04/22/98 LLJ	review S. Licht objection; review correspondence and pleadings forwarded by committee counsel; conference with N. Eisler re: plan modification issues	.75 hrs
04/23/98 NME	receipt and review of correspondence from A. Princi and objection to plan of reorganization by S. Licht; receipt and review of notice from Creditors' Committee's counsel re: plan modification, adjournment of confirmation hearing, Bank of New York objection to plan of reorganization; receipt and review of deposition transcript	1.50 hrs
04/23/98 MN	retrieve case for L. Jones; lexis search	.60 hrs
04/23/98 LLJ	review memorandum from committee counsel and recently filed pleadings	.40 hrs
04/23/98 MN	retrieve docket from internet	.20 hrs
04/24/98 NME	telephone calls with A. Princi (2) re: alleged breaches of confidentiality by S. Licht; telephone calls with Wm. Cunningham (2) re: same; receipt and review of correspondence from A. Princi re: request to remove S. Licht from Creditors' Committee; continue review of deposition transcript of D. Nichols	2.60 hrs
04/27/98 LLJ	review correspondence from S. Licht and A. Princi re: committee reconstitution issue; review dockets	.40 hrs
04/27/98 MN	retrieve docket from internet	.20 hrs
04/28/98 NME	receipt and review of correspondence from A. Princi re: removal of S. Licht from Creditors' Committee; receipt and review of correspondence from S. Licht re: reply to Princi letter; complete review of Nichols transcript	2.00 hrs
04/28/98 LLJ	review various correspondence between S. Licht and A. Princi re: committee reconstitution	.25 hrs
04/30/98 LLJ	review correspondence from committee counsel	.10 hrs

05/01/98	NME	receipt and review of motion as to plan modification; receipt and review of second amended plan of reorganization	.90 hrs
05/04/98	ML	office conference with N. Eisler re: plan objection and confirmation hearing preparation	.25 hrs
05/04/98	LLJ	telephone call with S. Schwartz re: indenture trustee fees; review motion to amend plan, amended plan, motion to object to claims	1.00 hrs
05/04/98	PARA	retrieve dockets	.30 hrs
05/05/98	NME	receipt and review of correspondence from A. Princi re: letter to assistant U.S. Trustee	.20 hrs
05/05/98	LLJ	review correspondence from A. Princi re: Licht	.10 hrs
05/06/98	LLJ	review letter from Ambase re: distribution; review Licht letters; conference with N. Eisler re: same	.40 hrs
05/11/98	NME	review and revise draft objection to second amended plan of reorganization	.50 hrs
05/11/98	SG	draft and revise objection to second amended plan of reorganization; review second amended plan, motion regarding modification of plan	1.00 hrs
05/11/98	LLJ	review U.S. Trustee letter re: Licht resignation	.10 hrs
05/12/98	NME	review and revise draft objection to plan of reorganization; office conference with S. Greissman re: same	.50 hrs
05/12/98	SG	draft and revise objection to second amended plan to incorporate comments of N. Eisler; review indentures; research cases re: subordination of noteholders to indenture trustee	2.50 hrs
05/12/98	PARA	retrieve dockets	.30 hrs
05/12/98	TDB	retrieve documents from bankruptcy court database	.40 hrs
05/13/98	NME	telephone call with A. Princi re: trustee's objection to confirmation; receipt and review of correspondence from Creditors' Committee counsel re: Licht request for postponement, joint defense agreement	.40 hrs
05/13/98	SG	research re: grounds for plan objection; draft and revise objection to second amended plan; draft affidavit of service	4.50 hrs
05/13/98	LLJ	review Whitman motion; correspondence from A. Princi	.25 hrs
05/14/98	ML	revise proposed joint defense agreement	.50 hrs
05/14/98	SG	draft letter to Bankruptcy Judge Gallet re: objection of BONY to plan; electronic filing of objection to second amended plan; draft and revise administrative proof of claim	2.70 hrs
05/14/98	BS	file disk of objection with Southern District Bankruptcy Court	1.50 hrs
05/14/98	LLJ	review recent filings re: plan and correspondence from committee	.90 hrs
05/14/98	AF	prepare documents for filing	.90 hrs
05/15/98	NME	receipt and review of AmBase's objection to plan modification and to confirmation of plan	.60 hrs
05/15/98	SG	draft administrative proof of claim	.75 hrs
05/18/98	SG	draft and revise administrative proof of claim	.30 hrs

05/18/98	LLJ	review Licht's confirmation objection, objection to modify plan; review AmBase objection; review docket, miscellaneous correspondence	1.00 hrs
05/18/98	PARA	retrieve docket	.30 hrs
05/19/98	NME	telephone calls with A. Princi (2) re: settlement proposal on fee arrangement; telephone calls with L. Anastos (2) re: same; telephone call with Messrs. Stevenson and Cunningham re: same	.80 hrs
05/19/98	SG	draft and revise proof of administrative claim	2.00 hrs
05/19/98	LLJ	telephone calls with L. Anastos (2) re: settling Bank of New York's confirmation objection; telephone call with J. Stevenson, W. Cunningham re: same; review debtor's confirmation brief and response to Bank of New York's and other objections; review amended schedules and correspondence to K. Marafiotti	2.00 hrs
05/20/98	LLJ	review committee confirmation brief and miscellaneous correspondence	.50 hrs
05/21/98	NME	telephone call with L. Jones re: confirmation hearing	.10 hrs
05/21/98	LLJ	review plan supplements; telephone call with S. Greissman re: 5/22 conference call; prepare stipulation	.70 hrs
05/22/98	NME	conference telephone call with Creditors' Committee and counsel re: confirmation hearing	.80 hrs
05/22/98	SG	review file in preparation for conference call with unsecured creditors committee; participate in conference call with the committee	1.50 hrs
05/25/98	LLJ	review third amended plan	.50 hrs
05/26/98	NME	telephone call with J. Stevenson re: confirmation hearing	.20 hrs
05/26/98	MN	retrieve docket	.20 hrs
05/27/98	NME	conference with A. Princi re: hearing results; telephone call with J. Stevenson re: same; receipt and review of correspondence from counsel to Creditors' Committee and mark-up of plan of reorganization re: settlement with AmBase	1.40 hrs
05/28/98	NME	review terms for settlement stipulation; review and revise draft stipulation	1.30 hrs
05/28/98	SG	draft and revise stipulation settling objection of the Bank of New York to Second Amended Plan; meet with N. Eisler re: stipulation	3.50 hrs
05/29/98	NME	office conference with S. Greissman re: settlement of objection to confirmation; telephone call with J. Stevenson re: same; receipt and review of proposed letter from Zurich guarantying fees	.60 hrs
05/29/98	SG	draft and revise stipulation and order settling objection to plan; telephone calls (4) with L. Anastas, conference telephone calls (2) with A. Rosenberg and L. Anastas and office conference with N. Eisler all re: settlement of objection to plan; review proposed settlement letter of Zurich; telephone calls (2) with J. Stevenson re:	



	same; conference telephone call with N. Eisler and J. Stevenson re: same	3.20 hrs
05/31/98 LLJ	review Zurich agreement and prepare for confirmation hearing	.30 hrs
06/01/98 MN	retrieve docket from Internet re: Home Holdings	.20 hrs
06/01/98 LLJ	attend confirmation hearing; telephone call with L. Anastos re: status	3.00 hrs
06/03/98 LLJ	telephone call with W. Cunningham re: status; review revised third amended plan	.40 hrs
06/04/98 LLJ	review memorandum re: confirmation; correspondence to L. Anastos re: order	.25 hrs
06/08/98 PARA	retrieve dockets from the internet for Home Holdings	.30 hrs
06/09/98 SG	review chapter 11 plan	.30 hrs
06/10/98 SG	review documents; draft fee application	1.50 hrs
06/11/98 SG	draft fee application	3.75 hrs
06/11/98 LLJ	review post-confirmation pleadings	.40 hrs
06/12/98 SG	draft fee application	1.50 hrs
06/15/98 SG	draft fee application	2.30 hrs
06/18/98 SG	draft and revise fee application	1.75 hrs
06/19/98 SG	telephone call with W. Cunningham re: time logs and records; draft fee application	.20 hrs
06/22/98 LLJ	telephone call with Schwartz re: proof of claim, schedules	.10 hrs
06/25/98 NME	review proposed stipulation to reduce claim	.30 hrs
06/25/98 LLJ	review and comment on stipulation re: Bank of New York claim and draft revised stipulation; telephone call with S. Lubben re: same; review claim objection	1.00 hrs
06/26/98 NME	review and revise draft application for administrative expense claim	.30 hrs
06/26/98 SG	review proposed stipulation; telephone call with P. Lubin re: same	.50 hrs
06/30/98 LLJ	telephone call with W. Cunningham re: prepetition claim	.10 hrs
07/01/98 LLJ	telephone call with S. Schwartz re: stipulation on claim; telephone call with J. Stevenson re: same; review recently filed pleadings; review stipulation	.90 hrs
07/02/98 LLJ	several telephone calls with W. Cunningham, J. Stevenson, L. Anastos all re: distribution and lien	.75 hrs
07/06/98 LLJ	telephone call with S. Schwartz re: effective date, fees; review plan supplement documents	.50 hrs
07/07/98 LLJ	telephone call with S. Schwartz, T. McCourt re: fees, distribution; review docket and recently filed pleadings	.70 hrs
07/08/98 LLJ	telephone call with T. McCourt re: fees/lien; telephone call with J. Stevenson re: same	.25 hrs
07/09/98 NME	receipt and review of correspondence from A. Princi re: draft request of Creditors' Committee for ruling by insurance commissioner on change of control	.80 hrs

07/09/98	LLJ	numerous telephone calls with A. Rosenberg, T. McCourt, S. Schwartz, J. Stevenson, B. Cunningham re: release of lien of BNY; review and revise stipulation re: release of lien; review correspondence from committee re: Department of Insurance letter; correspondence to D. McGinnis re: list of record holders	4.20 hrs
07/10/98	NME	receipt and review of revised stipulation and comment thereon; review and revise draft fee application	1.20 hrs
07/12/98	LLJ	review and revise stipulation re: release of lien	.25 hrs
07/13/98	NME	revise fee application	.20 hrs
07/13/98	SG	draft and revise fee application; office conference with N. Eisler re: same	1.50 hrs
07/13/98	LLJ	review Whitman appeal brief; correspondence to S. Schwartz re: stipulation	.40 hrs
07/14/98	SG	review and revise fee application	1.00 hrs
07/14/98	LLJ	review revised stipulation; telephone call with J. Stevenson re: status; telephone calls (2) with A. Rosenberg re: stipulation revisions	.70 hrs
07/15/98	LLJ	correspondence to T. McCourt re: lists; review revised stipulation; correspondence with S. Schwartz re: same	.50 hrs
07/16/98	SG	revise fee application	.50 hrs
07/16/98	LLJ	correspondence to T. McCourt re: list of recordholders, liens; review correspondence from committee	.25 hrs
07/17/98	NME	review and revise draft fee application	1.20 hrs
07/20/98	SG	draft and revise fee application	.50 hrs
07/20/98	LLJ	fax to W. Cunningham, J. Stevenson re: stipulation and order; fax to A. Rosenberg re: Zurich agreement; telephone call with S. Schwartz re: closing; review dockets	.30 hrs
07/21/98	SG	telephone call with B. Cunningham re: fee application; draft and revise fee application	.10 hrs
07/22/98	MN	Shepardize cases	.50 hrs
07/22/98	NME	review and revise draft fee application	1.80 hrs
07/22/98	LLJ	review and revise fee application	.75 hrs
07/23/98	LLJ	telephone call with T. McCourt re: noteholder issues; revise fee application	.50 hrs
07/25/98	SG	draft and revise fee application; review comments of N. Eisler and L. Jones re: fee application	1.00 hrs
07/27/98	SG	telephone call with J. Stevenson re: fee application	.10 hrs
07/27/98	LLJ	telephone call with J. Stevenson re: inquiry from Zurich re: notes	.10 hrs
07/28/98	LLJ	revise fee application	.20 hrs
07/29/98	LLJ	telephone call with S. Schwartz re: effective date and telephone call with W. Cunningham re: same; correspondence to K. Marifioti	.50 hrs
07/30/98	LLJ	telephone call with J. Stevenson re: calls from bondholders, closing	.20 hrs

08/06/98 LLJ	telephone call with W. Cunningham re: bondholder calls; telephone call with K. Marifioti re: same	.20 hrs		
08/11/98 LLJ	revisions to fee application, prepare schedules, affidavits, certification; correspondence to J. Stevenson, W. Cunningham re: same	2.00 hrs		
08/13/98 LLJ	telephone call with W. Cunningham re: fee application, cancellation of indenture	.20 hrs		
08/27/98 LLJ	telephone call with W. Cunningham re: calls from bondholders and correspondence to K. Marifioti re: same; revise fee application and exhibits	.70 hrs		
	Angela Fermaint	3.60 hrs	75 /hr	270.00
	Belinda Sanabria	8.40 hrs	75 /hr	630.00
	Lori L. Jones	55.10 hrs	280 /hr	15,428.00
	Lori L. Jones	3.10 hrs	290 /hr	899.00
	Michael Luskin	1.25 hrs	325 /hr	406.25
	Mitchell Nadler	2.50 hrs	100 /hr	250.00
	Nathan M. Eisler	49.70 hrs	325 /hr	16,152.50
	Paralegal	1.20 hrs	90 /hr	108.00
	Scott Greissman	64.05 hrs	150 /hr	9,607.50
	Tracey D. Bennett	.40 hrs	90 /hr	36.00
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	Total fees for this matter	189.30 hrs		\$43,787.25

DISBURSEMENTS

Copying Charges -- In House	137.30
Copying Charges -- Outside	21.09
Court Document Retrieval	3.00
Federal Express	139.40
Lexis/Nexis	1,390.56
Messengers	133.80
Secretarial Overtime	409.47
Telephone	44.14
Taxis & Local Transportation	143.50
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Total Disbursements for this matter	\$ 2,422.26

BILLING SUMMARY

FEES	\$43,787.25
DISBURSEMENTS	\$ 2,422.26
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TOTAL CHARGES	\$46,209.51

**EXHIBIT D**

Expenses

- A. The Bank of New York: \$859.53  
(Postage, telephone, express mail and miscellaneous expenses)
- B. Sullivan & Cromwell: None
- C. Luskin, Stern & Eisler LLP: \$2,422.26

Copying Charges - In House*	\$137.30
Copying Charges - Outside	\$21.09
Court Document Retrieval	\$3.00
Federal Express	\$139.40
Lexis/Nexis	\$1,390.56
Messengers	\$133.80
Secretarial Overtime	\$409.47
Telephone	\$44.14
Taxis & Local Transportation	\$143.50

\* Luskin, Stern & Eisler LLP charges \$.10 per page for copying.

**EXHIBIT E**

Luskin, Stern & Eisler LLP

**Attorneys**

<b><u>Name</u></b>	<b><u>Year Admitted</u></b>	<b><u>Hourly Rate</u></b>	<b><u>Hours Spent</u></b>
Michael Luskin	1975	\$325/hr	1.25
Nathan M. Eisler	1983	\$325/hr	49.70
Lori Lapin Jones	1985	\$280/hr	55.10
Lori Lapin Jones	1985	\$290/hr*	3.10
Scott Greissman	1995	\$150/hr	64.05

**Summer Associate**

Mitchell Nadler	N/A	\$100/hr	2.50
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**Paraprofessionals**

<b><u>Name</u></b>	<b><u>Hourly Rate</u></b>	<b><u>Hours Spent</u></b>
Angela Fermaint	\$75/hr	3.60
Belinda Sanabria	\$75/hr	8.40
Paralegal	\$90/hr	1.20
Tracey Bennett	\$90/hr	.40

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\* Luskin, Stern & Eisler LLP's billing rates increased as of August 1, 1998.