

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re:

IMPERIAL DISTRIBUTING, INC.,
et al.,

Debtors.
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: Chapter 11

: Case No 01-0140 (SLR)
: (Jointly Administered)

**FIRST AND FINAL APPLICATION OF ERNST & YOUNG CORPORATE FINANCE
LLC ON BEHALF OF E&Y CAPITAL ADVISORS LLC, AS FINANCIAL AND
RESTRUCTURING ADVISORS TO THE OFFICIAL COMMITTEE OF EQUITY
SECURITY HOLDERS OF IMPERIAL DISTRIBUTING FOR ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES FOR THE PERIOD FROM APRIL 1, 2001 THROUGH AUGUST 10, 2001**

Name of Applicant:

Ernst & Young Corporate Finance LLC
on behalf of E&Y Capital Advisors LLC

Authorized to Provide Professional Services to:

The Official Committee Of Equity Security
 Holders

Date of Retention:

As of March 16, 2001

Period for which compensation
and reimbursement are sought

April 1, 2001 – August 10, 2001

Amount of Compensation sought as
actual, reasonable, and necessary:

\$25,318

Amount of Expense Reimbursement
sought as actual, reasonable, and necessary:

\$12

This is a: ___ interim X final application ___ monthly statement

Name of Professional Person	Position of the Applicant	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
Lewis Solimene	Managing Director	\$650	23.4	\$15,210
John A. Grivetti	Director	\$475	19.7	\$9,358
Tod Saltzman	Vice President	\$375	2.0	\$750
	TOTAL			\$25,318

COMPENSATION BY PRODUCT CATEGORY

Project Category *See Exhibit C for explanation of category	Total Hours	Total Fees
PCD 5	0.9	\$428
PCD 6	28.1	\$16,393
PCD 10	1.2	\$570
PCD 18	3.9	\$1,853
PCD 25	2.5	\$1,188
PCD 29	8.0	\$4,650
PCD 42	0.5	\$238
	TOTAL	\$25,318

EXPENSE SUMMARY

Expense Category	Total Expenses
Taxi/Car Rental	\$12
TOTAL	\$12

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11
: :
IMPERIAL DISTRIBUTING, INC., : :
et al., : Case No 01-140 (SLR)
: (Jointly Administered)
Debtors. : :
: :
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FIRST AND FINAL APPLICATION OF ERNST & YOUNG CORPORATE FINANCE LLC ON BEHALF OF E&Y CAPITAL ADVISORS LLC AS FINANCIAL AND RESTRUCTURING ADVISORS TO THE OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS OF IMPERIAL DISTRIBUTING FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM APRIL 1, 2001 THROUGH AUGUST 10, 2001

Pursuant to 11 U.S.C. §§328, 330, 331 and 503(b) and Rule 2016 of the Federal Rules of Bankruptcy Procedure, and in accordance with U.S. Department of Justice, Executive Office for the United States Trustee's Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under 11 U.S.C. section 330 (the "Guidelines") Ernst & Young Corporate Finance LLC ("EYCF"), on behalf of E&Y Capital Advisors LLC ("EYCA") hereby moves this Honorable Court for an Order awarding it reasonable compensation with respect to Imperial Distributing for financial and restructuring advisory services for the Official Committee Of Equity Security Holders of Imperial Distributing (the "Committee") in the amount of \$25,318 together with reimbursement for actual and necessary expenses incurred in the amount of \$12 for the period from April 1, 2001 through August 10, 2001 (the "First Compensation Period"). In support of its First and Final Application EYCF respectfully submits the following;

1. On January 16, 2001 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").
2. EYCA was employed to represent The Official Committee Of Equity Security Holders of Imperial Distributing as of March 16, 2001.
3. On August 10, 2000, Ernst & Young U.S. LLP, a Delaware limited liability partnership, formed E&Y Securities LLC, a Delaware limited liability company. On December 26, 2000, E&Y Securities LLC changed its name to E&Y Corporate Finance LLC and, on August 9, 2001, E&Y Corporate Finance LLC changed its name to EYCF. EYCF is registered with the U.S. Securities and Exchange Commission and each state as a broker as defined in Section 3(a)(4) of the Securities Exchange Act of 1934, and is a member of the National Association of Securities Dealers, Inc.
4. EYCF was established solely for the purpose of establishing an affiliate of EYCA that would be eligible to be and ultimately registered as a broker. EYCF has not at any time conducted any operations or had any employees at any time prior to September 1, 2001, and EYCF did not conduct any operations or have any employees prior to the Assignment. Pursuant to the Assignment, effective on September 1, 2001, EYCA transferred all of its operations and personnel into EYCF and commenced operating as a broker in addition to fulfilling the existing engagements currently undertaken by EYCA. There have been no substantive changes to the way in which these engagements are handled by EYCF

5. There is no agreement or understanding between EYCF and any other person, other than the members, associates and employees of EYCF, for the sharing of compensation received or to be received for services rendered in connection with this proceeding.
6. EYCF has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application.
7. EYCF, on behalf of EYCA makes its First and Final Application for allowance of reasonable compensation for actual and necessary professional services of \$25,318 and out-of-pocket expenses of \$12 incurred by EYCA during the period from April 1, 2001 through August 10, 2001 (the "First Compensation Period") as the Financial and Restructuring Advisor to the Official Committee Of Equity Security Holders. The total amount EYCF requests payment of in the First and Final Application is \$25,330.
8. In rendering the services described below, EYCA has expended a total of 45.1 hours. A summary of hours is attached as **Exhibit A** hereto incurred by each EYCA professional.
9. Pursuant to the agreement set forth in EYCA's Letter of Understanding and Order Authorizing the Employment and Retention of EYCA, EYCF is entitled to fees based on time incurred at hourly rates, and reimbursement of reasonable out of pocket expenses incurred in connection with providing financial advisory services.

10. EYCF has presented the services rendered by Project Code Descriptions (“PCD”), identifying the activities within each category, naming each person who performed the activity, the number of hours spent by each person in tenths of an hour, and a description of the work performed. The services rendered are set forth in the statement of services summarized by PCD attached as **Exhibit B** to the Application.
11. In addition to the time expended as described in **Exhibit B**, EYCA has incurred expenses during the First Compensation Period in the sum of \$12. These expenses represent actual and necessary costs and disbursements incurred on behalf of the Committee. These expenses are described in **Exhibit C** attached hereto.
12. It is EYCF’s policy to review its time charges to ensure that they are consistent with the value provided to the estate and in compliance with the Guidelines.
13. A description of the principal services provided by EYCA is set forth below by PCD.

PCD 5	Preparation and Review of Info. Requests and Related Matters
	Hours 0.9 Fees \$428

PCD 6	Valuation and Related Matters (Activities included preparation of discounted cash flow models and guideline company analyses under various scenarios of financial and operational results.)
	Hours 28.1 Fees \$16,393

PCD 10	Analysis of Current Operating Results and Related Matters including Cash Flow and Availability
	Hours 1.2 Fees \$570

PCD 18	Analysis and Reconciliation of Filed Claims
	Hours 3.9 Fees \$1,853

PCD 25	Preparation and Participation in Meetings and Conference Calls with Debtors and Debtors Professionals to Discuss Status and Develop Strategy
	Hours 2.5 Fees \$1,188


PCD 29	Meetings with Other Parties
	Hours 8.0 Fees \$4,650


PCD 42	Review Disclosure Statement
	Hours 0.5 Fees \$238

- (a) Additionally, the fees requested may include time charges for intra-office conferences. With respect to intra-office conferences, we submit that the reason for such interaction between the professionals is twofold.
- (1) To perform our services in the most cost effective and efficient manner. By delegating certain "mechanical" tasks to lower levels (i.e., less costly professionals), the average hourly rates are kept down. Of course, the more experienced professionals will need to supervise and review the work to insure the tasks are completed in the most efficient manner and that the appropriate issues are raised and addressed in a timely fashion.
 - (2) Our professional standards require the active supervision of staff. The Consulting Services Special Report 93-1 issued by the American Institute of Certified Public Accountants discusses the need to "adequately plan and supervise the performance of professional services...both to control costs and to focus the practitioner's work product on the engagement requirements."

WHEREFORE, EYCF respectfully requests that an final allowance and payment be made to it in the sum of \$25,318 as compensation for necessary professional services rendered to the Committee for the period April 1, 2001 through August 10, 2001, and the sum of \$12 for reimbursement of actual necessary costs and expenses incurred during the First and Final Compensation Period and for such other relief as this Court may deem just and proper.

Sworn to before me this 5th
day of ~~September~~, 2001
October


Peter Schwab
Managing Director


Kathy A. Z. Kaporis
Notary Public

