

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re:

IMPERIAL DISTRIBUTING, INC.,
et al.,

Debtors.

:
: Chapter 11
:

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

**FIRST AND FINAL APPLICATION OF ERNST & YOUNG LLP AS
ACCOUNTING AND LITIGATION SUPPORT SERVICE PROVIDER 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, LLP

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: \$195,710

Amount of Expense Reimbursement
sought as actual, reasonable, and necessary: \$4,240

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

Name of Professional Person	Position of the Applicant	Hourly Billing Rate	Total Billed Hours	Total Compensation
Matt Howley	Managing Director	\$650	54.0	\$35,100
Brent Anderson	Director	\$450	113.0	\$50,850
Matt Vitellaro	Vice President	\$335	120.0	\$40,200
Evan Sussholz	Senior Consultant	\$225	37.0	\$8,325
Donna Artese	Consultant	\$195	6.0	\$1,350
Matt Jones	Consultant	\$195	192.0	\$37,440
Tojy Thomas	Consultant	\$195	39.5	\$7,703
Brian Meihaus	Consultant	\$195	33.0	\$6,435
Khagan Khan	Consultant	\$195	11.0	\$2,145
Alex Rubenstein	Consultant	\$195	20.5	\$3,998
Steve O'Neil	Consultant	\$195	11.1	\$2,165
TOTAL				\$195,710

COMPENSATION BY PRODUCT CATEGORY

Project Category *See Exhibit C for explanation of category	Total Hours	Total Fees
PCD 1	17.0	\$5,995
PCD 3	3.5	\$1,575
PCD 5	3.0	\$1,350
PCD 6	310.4	\$89,401
PCD 10	11.8	\$3,918
PCD 18	14.0	\$5,235
PCD 25	62.5	\$27,714
PCD 27	19.5	\$8,900
PCD 40	24.5	\$11,705
PCD 41	1.0	\$650
PCD 42	19.5	\$7,596
PCD 71	150.5	\$31,671
TOTAL		\$195,710

EXPENSE SUMMARY

Expense Category	Total Expenses
Airfare	\$1,967
Meals	\$686
Lodging	\$903
Taxi/Car Rental	\$684
TOTAL	\$4,240

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**FIRST AND FINAL APPLICATION OF ERNST & YOUNG LLP AS
VALUATION SUPPORT SERVICE PROVIDER 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 LLP ("E&Y" or the "Applicant") hereby moves this Honorable Court for an Order awarding it reasonable compensation with respect to Imperial Distributing (the "Debtor") for Accounting and Litigation Support Services in the amount of \$195,710 together with reimbursement for actual and necessary expenses incurred in the amount of \$4,240 for the period from April 1, 2001 through August 10, 2001 (the "First and Final Compensation Period"). In support of its First and Final Application, E&Y respectfully represents as follows:

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. E&Y was employed to represent the The Official Committee Of Equity Security Holders as of March 16, 2001.
3. E&Y 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.
4. E&Y makes its First and Final Application for allowance of reasonable compensation for actual and necessary professional services of \$195,710 and out-of-pocket expenses of \$4,240 incurred by E&Y during the period from April 1, 2001 through August 10, 2001 (the "First and Final Compensation Period") as the Accounting and Litigation Support Service Provider to the Official Committee Of Equity Security Holders. The total amount E&Y requests payment of in the First and Final Application is \$199,950
5. In rendering the services described bellows, E&Y has expended a total of 637.1 hours. A summary of hours is attached as **Exhibit A** hereto incurred by each E&Y professional.

6. Pursuant to the agreement set forth in the E&Y Letter of Understanding and Order Authorizing the Employment and Retention of E&Y, E&Y is entitled to fees based on time incurred at hourly rates, and reimbursement of reasonable out of pocket expenses incurred in connection with providing Accounting and Litigation Support Services.
7. E&Y 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.
8. In addition to the time expended as described in **Exhibit B**, E&Y has incurred expenses during the First and Final Compensation Period in the sum of \$4,240. These expenses represent actual and necessary costs and disbursements incurred on behalf of the Debtors. These expenses are described in **Exhibit C** attached hereto.
9. It is the Applicant'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.
10. Ernst & Young has not shared or agreed to share any of its compensation from the Debtors with any other person, other than as permitted under section 504 of the Bankruptcy Code.

11. A description of the principal services provided by the Applicant is set forth below by PCD.

PCD 1	Planning, Supervision and Review (Activities related to supervising and reviewing work by subordinates for accuracy, as well as engagement planning)
	Hours 17.0 Fees \$5,995

PCD 3	Review Newly Received Documents
	Hours 3.5 Fees \$1,575

PCD 5	Preparation and Review of Information Requests and Related Matters
	Hours 3.0 Fees \$1,350

PCD 6	Valuation and Related Matters (Completion of valuation models and analysis at various points in the engagement. This would include analyses to compare with the other sides' analysis, in addition to our independent analysis.)
	Hours 310.4 Fees \$89,401

PCD 10	Analysis of Current Operating Results and Related Matters including Cash Flow and Availability (Perform financial analysis and review of historical financial results, including income statement, balance sheet and cash flow results.)
	Hours 11.8 Fees \$3,918

PCD 18	Analysis of Reclamation Claims (Analysis surrounding the nature of the claims, and how they reconcile with the company's financial statements.)
	Hours 14.0 Fees \$5,235

PCD 25	Preparation and Participation in Meetings and Conference Calls with Debtors and Debtors Professionals to Discuss Status and Develop Strategy
	Hours 62.5 Fees \$27,714

PCD 27	Prep/Attendance/Participation in Institutional Committee Meetings
	Hours 19.5 Fees \$8,900

PCD 40	Other Litigation Matter
	Hours 24.5 Fees \$11,705

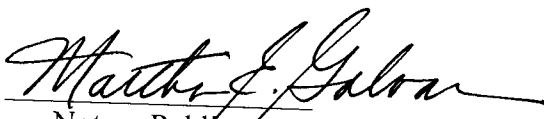
PCD 41	Participate in Negotiation and Formulation of Plan of Reorganization
	Hours 1.0 Fees \$650

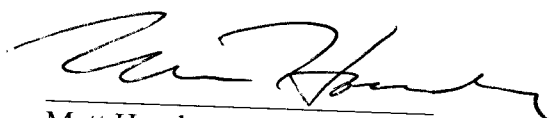
PCD 42	Review of Disclosure Statement
	Hours 19.5 Fees \$7,596

PCD 71	Preparation of Financial Models (Activities included review and analysis of the company's financial model, as well as making adjustments to the company's model to reflect certain changes in performance.)
	Hours 150.5 Fees \$31,671

WHEREFORE, E&Y respectfully requests that a final allowance be made to it in the amount of \$195,710 as compensation for necessary professional services rendered on behalf of the Committee for the period April 1, 2001 through August 10, 2001 and the sum of \$4,240 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 4th
day of October, 2001


Notary Public


Matt Howley
Managing Director

