

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

INACOM CORP., et al. : Chapter 11
: :
: Case No. 00-2426(PJW)
: :
: Jointly Administered
Debtors :
:

**EIGHTH QUARTERLY AND FINAL APPLICATION FOR ALLOWANCE OF
COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES AS FINANCIAL
ADVISOR TO THE COMMITTEE OF UNSECURED CREDITORS OF INACOM CORP.
et al. FOR THE PERIOD FROM AUGUST 28, 2000 THROUGH JUNE 8, 2003**

Name of Applicant:	Executive Sounding Board Associates Inc.
Authorized to Provide Professional Services To:	The Official Committee of Unsecured Creditors of InaCom Corp., <u>et al.</u>
Date of Retention	October 10, 2000
Period for which Compensation and Reimbursement is Sought:	August 28, 2000 through June 8, 2003
Amount of Compensation Sought as Actual, Reasonable and Necessary:	Final \$1,192,074.00 Eighth Quarterly \$72,748.50
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	Final \$83,466.75 Eighth Quarterly \$11,498.52

This is a Final Application.

The time requested for fee application preparation throughout the entire case is 127 hours and the corresponding compensation requested is approximately \$28,356.50.

Prior Applications

<u>Date Filed</u>	<u>Period Covered</u>	<u>Requested Fees</u>	<u>Requested Expenses</u>	<u>Approved Fees</u>	<u>Approved Expenses</u>
10/25/00	8/28/00-9/30/00	37,507.50	3,272.01	Approved	Approved
12/6/00	October 2000	59,877.00	5,264.17	Approved	Approved
12/28/00	November 2000	116,713.00	13,312.70	Approved	Approved
2/6/01	December 2000	95,332.50	14,171.28	Approved	Approved
2/26/01	January 2001	117,252.50	7,948.91	Approved	Approved
3/27/01	February 2001	105,460.00	10,311.59	Approved	Approved
4/30/01	March 2001	99,020.50	7,411.88	Approved	Approved
6/4/01	April 2001	50,332.50	4,381.57	Approved	Approved
6/20/01	2 nd Qtr. Dec 2000-May 2001	488,299.50	44,464.14	Approved	Approved
7/11/01	June 2001	49,056.00	188.34	Approved	Approved
9/6/01	July 2001	45,951.00	205.88	Approved	Approved
9/28/01	August 2001	28,839.50	574.85	Approved	Approved
10/17/01	3 rd Quarterly Jun-Sept 2001	151,073.50	2,494.58	Approved	Approved
11/16/01	Oct. 2001	23,774.00	99.82	Approved	Approved
1/11/02	Nov. 2001	4,646.00	00.00	Approved	Approved
1/25/02	Dec. 2001	34,269.00	472.67	Approved	Approved
1/25/02	4 th Quarterly Oct-Dec. 2001	62,689.00	572.49	Approved	Approved
2/27/02	Jan. 2002	45,218.00	371.89	Approved	Approved
3/28/02	Feb 2002	4,381.00	36.23	Approved	Approved
5/13/02	March-April 2002	26,054.50	288.29	Approved	Approved
6/25/02	May 2002	7,932.50	115.34	Approved	Approved
7/10/02	June 2002	11,412.00	18.00	Approved	Approved
7/18/02	5 th Quarterly Jan-June 2002	94,998.00	829.75	Approved	Approved
8/23/02	July 2002	3,584.00	38.25	Approved	Approved
10/30/02	6 th Quarterly July-Sept 2002	14,346.00	126.30	Approved	Approved
11/19/02	Oct. 2002	10,208.002	21.80	Approved	Approved
12/24/02	Nov. 2002	56,297.50	1,345.75	Approved	Approved
1/16/03	Dec. 2002	15,104.00	28.58	Approved	Approved
2/14/03	7 th Quarterly Nov. 2002 - Jan 2003	151,161.00	6,699.44	Approved	Approved
3/14/03	Feb. 2003	8,063.00	3,494.71	Pending	Pending
4/14/03	March 2003	15,730.00	36.00	Pending	Pending
5/8/03	April 2003	3,034.00	14.05	Pending	Pending
7/10/03	May 1 - June 8, 2003	45,921.50	7,953.76	Pending	Pending

INACOM

Executive Sounding Board Associates Inc.
Summary of Time Incurred by Professional

August 28, 2000 - June 8, 2003

Name of Professional Person	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Current Hourly Billing Rate	HOURS QUARTERLY FEE APPLICATION								Total
			First Aug. 28 - Nov. 30, 2000	Second Dec. 1 - May 31, 2001	Third June 1 - Sept. 30, 2001	Fourth Oct. 1 - Dec. 31, 2001	Fifth Jan. 1 - June 30, 2002	Sixth July 1 - Sept. 30 2002	Seventh Oct. 1 - Jan 31, 2003	Eighth Feb 1 - June 8, 2003	
Gilmour, Neil	Managing Director and Shareholder since 1993, reorganization professional since 1983. Licensed as CPA, CIRA and CTP.	\$ 320.00	215.50	327.70	121.05	42.30	105.60	30.10	138.70	121.30	1,102.25
Henrich, William	Managing Director since 1996, Crisis Manager, Turnaround Consultant and Executive since 1981. CPA	\$ 315.00	2.80								2.80
Santry, Daniel	Senior Consultant/Independent Contractor since 1998, business professional and turnaround manager for over 30 years. CPA	\$ 250.00	325.50	825.90	248.50	117.50	94.00		133.00	39.00	1,783.40
John, Terry	Senior Consultant/ Independent Contractor since 1999. Business Professional for over 30 years.	\$ 250.00	127.70	63.00							190.70
Levitt, Joyce	Senior Consultant/ Independent Contractor since 2000. Financial Professional	\$ 250.00	47.20								47.20
Enverso, Brian	Senior Consultant with ESBA since 2003. Financial professional for over 10 years. CPA, MI, CVA	\$ 225.00								89.10	89.10
Hetzel, Kim	Senior Consultant/Independent Contractor since 2000. Financial and Banking professional for over 10 years.	\$ 255.00	131.15	684.10	183.60	62.40	87.60	14.80	32.20	3.20	1,199.05
Katz, Marty	Managing Director since 1978. Crisis Manager and Turnaround Consultant. CPA	\$ 300.00		1.00							1.00
Setzland, Charles	Senior Consultant with ESBA since 2000. Reorganization professional since 1993. CIRA	\$ 250.00							17.00	17.60	34.60
Rennick, Jacob	Senior Consultant/Independent Contractor since 2001. Financial and restructuring professional for over 30 years. CPA, CIRA	\$ 275.00		117.30	19.20	13.30	41.20				191.00
Fox, Jim	Director since 2001 - Financial professional for over 25 years.	\$ 300.00			0.40						0.40
Beletz, Janice	Administrative Assistant	\$ 100.00			1.60	1.30	1.20	0.20	1.20	0.70	6.20
Blackburn, Karen	Administrative Assistant	\$ 100.00			2.00	4.10	11.40	9.20	9.50	6.00	42.20
Total Hours			849.85	2,019.00	576.35	240.90	341.00	54.30	331.60	276.90	4,689.90

INACOM

Executive Sounding Board Associates Inc.
Summary of Time Incurred by Professional

August 28, 2000 - June 8, 2003

Name of Professional Person	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Current Hourly Billing Rate	QUARTERLY FEE APPLICATION FEES								Total
			First Aug. 28 - Nov. 30, 2000	Second Dec. 1 - May 31, 2001	Third June 1 - Sept. 30, 2001	Fourth Oct. 1 - Dec. 31, 2001	Fifth Jan. 1 - June 30, 2002	Sixth July 1 - Sept. 30, 2002	Seventh Oct. 1 - Jan 31, 2003	Eighth Feb 1 - June 8, 2003	
Gilmour, Neil	Managing Director and Shareholder since 1993, reorganization professional since 1983. Licensed as CPA, CIRA and CTP.	\$ 320.00	\$ 59,262.50	\$ 92,577.50	\$ 36,315.00	\$ 12,690.00	\$ 33,280.00	\$ 9,632.00	\$ 43,136.00	\$ 37,440.00	\$ 324,333.00
Henrich, William	Managing Director since 1996, Crisis Manager, Turnaround Consultant and Executive since 1981. CPA	\$ 315.00	\$ 882.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 882.00
Santry, Daniel	Senior Consultant/Independent Contractor since 1998, business professional and turnaround manager for over 30 years. CPA	\$ 250.00	\$ 81,375.00	\$ 199,996.00	\$ 65,852.50	\$ 31,137.50	\$ 26,790.00	\$ -	\$ 37,905.00	\$ 11,115.00	\$ 454,171.00
John, Terry	Senior Consultant/ Independent Contractor since 1999. Business Professional for over 30 years.	\$ 250.00	\$ 31,925.00	\$ 15,750.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,675.00
Levitt, Joyce	Senior Consultant/ Independent Contractor since 2000. Financial Professional	\$ 250.00	\$ 11,800.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,800.00
Enverso, Brian	Senior Consultant with ESBA since 2003. Financial professional for over 10 years. CPA, MT, CVA	\$ 225.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,057.50	\$ 19,057.50
Hetzl, Kim	Senior Consultant/Independent Contractor since 2000. Financial and Banking professional for over 10 years.	\$ 255.00	\$ 28,853.00	\$ 147,418.50	\$ 43,146.00	\$ 14,664.00	\$ 22,338.00	\$ 3,774.00	\$ 8,211.00	\$ 816.00	\$ 269,220.50
Katz, Marty	Managing Director since 1978. Crisis Manager and Turnaround Consultant. CPA	\$ 300.00	\$ -	\$ 300.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300.00
Setzland, Charles	Senior Consultant with ESBA since 2000. Reorganization professional since 1993. CIRA	\$ 250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500.00	\$ 3,650.00	\$ 7,150.00
Renick, Jacob	Senior Consultant/Independent Contractor since 2001. Financial and restructuring professional for over 30 years. CPA, CIRA	\$ 275.00	\$ -	\$ 32,257.50	\$ 5,280.00	\$ 3,657.50	\$ 11,330.00	\$ -	\$ -	\$ -	\$ 52,525.00
Fox, Jim	Director since 2001 - Financial professional for over 25 years.	\$ 300.00	\$ -	\$ -	\$ 120.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120.00
Beletz, Janice	Administrative Assistant	\$ 100.00	\$ -	\$ -	\$ 160.00	\$ 130.00	\$ 120.00	\$ 20.00	\$ 120.00	\$ 70.00	\$ 620.00
Blackburn, Karen	Administrative Assistant	\$ 100.00	\$ -	\$ -	\$ 200.00	\$ 410.00	\$ 920.00	\$ 920.00	\$ 950.00	\$ 600.00	\$ 4,220.00
Total Fees			214,097.50	488,299.50	151,073.50	62,689.00	94,998.00	14,346.00	93,822.00	72,748.50	\$ 1,192,074.00

EXHIBIT B

INACOM

Executive Sounding Board Associates Inc.
Summary of Disbursements by Category

August 28, 2000 - June 8, 2003

DISBURSEMENTS
QUARTERLY FEE APPLICATION

Category:	DISBURSEMENTS								Total
	First Aug. 28 - Nov. 30, 2000	Second Dec. 1 - May 31, 2001	Third June 1 - Sept. 30, 2001	Fourth Oct. 1 - Dec. 31, 2001	Fifth Jan. 1 - June 30, 2002	Sixth July 1 - Sept. 30, 2002	Seventh Oct. 1 - Jan 31, 2003	Eighth Feb 1 - June 8, 2003	
Airfare	\$ 9,910.00						\$ 766.00	\$ 1,412.00	\$ 12,088.00
Lodging and Meals	\$ 7,090.84		\$ 1,992.98				\$ 68.03	\$ 802.62	\$ 9,954.47
Misc. Transportation - Mileage/Tolls			\$ 40.50	\$ 303.45					\$ 343.95
Phone - Long Distance	\$ 582.13	\$ 1,158.11	\$ 258.75	\$ 85.00	\$ 25.00	\$ 40.00	\$ 60.00	\$ 105.00	\$ 2,313.99
Fed Ex	\$ 82.45						\$ 186.00	\$ 23.36	\$ 105.81
Misc. Travel- Rail		\$ 204.15						\$ 148.75	\$ 1,857.99
Parking - Taxi	\$ 1,694.24				\$ 15.00				\$ 143.77
Office Supplies	\$ 143.77								\$ 37,359.40
Transportation/Travel-out of town	\$ 2,330.45	\$ 34,622.36			\$ 85.00		\$ 205.25	\$ 321.59	\$ 468.39
Express Mail and Shipping			\$ 89.04	\$ 98.74	\$ 75.36		\$ 88.95	\$ 30.20	\$ 693.54
Photocopy charges					\$ 493.09	\$ 81.30		\$ 8,506.00	\$ 13,068.77
Legal Fees		\$ 4,562.77							\$ 3,691.19
Off site reproduction		\$ 3,614.88	\$ 76.31						\$ 55.86
Courier	\$ 15.00					\$ 5.00	\$ 25.86	\$ 10.00	\$ 496.87
Taxi		\$ 301.87					\$ 195.00		\$ 102.00
Reference Material					\$ 102.00				\$ 40.50
Pacer				\$ 6.20	\$ 34.30				\$ 170.10
Facsimile @ \$1.00 per page			\$ 37.00	\$ 79.10			\$ 37.00		
Total Disbursements	\$ 21,848.88	\$ 44,464.14	\$ 2,494.58	\$ 572.49	\$ 829.75	\$ 126.30	\$ 1,632.09	\$ 11,498.52	\$ 83,466.75

EXHIBIT C - 1

INACOM

Executive Sounding Board Associates Inc.
Summary of Time Incurred by Category

HOURS
QUARTERLY FEE APPLICATION

Category	Code	First Aug 28, - Nov. 30 2000	Second Dec. 1 - May 31, 2001	Third June 1 - Sept 30, 2001	Fourth Oct. 1 - Dec. 31, 2001	Fifth Jan. 1 - June 30, 2002	Sixth July 1, -Sept 30, 2002	Seventh Oct. 1 - Jan. 31, 2003	Eighth Feb. 1 - June 8 2003	Total
Accounts Receivable Analysis	27		112.60	13.00	14.30					139.90
Administrative	30	3.60								3.60
Solvency	40		145.60	95.50						241.10
Background Analysis	42	466.85	486.70	4.90		0.20				958.65
Cash Management Issues	51	75.50	157.50	17.70		8.80		1.10	5.00	265.60
Claims Analysis	54			18.85		4.50		4.40	35.10	62.85
Insider Transactions	57		17.10	10.00		5.00				32.10
Substantive Consolidation	60		53.60			1.50				55.10
General Case Strategy Discussions	64	50.40	29.20	28.10	3.70	0.40		3.40	49.60	164.80
Fee Application Preparation	74	9.80	36.50	20.90	11.80	17.10	13.10	10.80	7.00	127.00
Retention Objections	76	16.00								16.00
Analysis of Financial Statements	77			15.90	71.30	66.20	0.50	0.50	7.10	161.50
Tax Matters	81								2.40	2.40
Insurance Matters	86								5.00	5.00
Compaq Related Analysis	93	52.80	219.20	116.30	70.10	94.10				552.50
Committee Meetings and Conference Calls	98	31.70	190.30	22.40	0.30	3.70		1.40		249.80
Motion review/work	101	42.20	97.90	51.70	10.00	19.20	13.90	4.80	10.00	249.70
Operations Review/Financial Statements	104	6.40								6.40
Plan of Liquidation	107			1.30						1.30
Preferential Transfers	108					7.00	6.50	161.40	104.90	281.10
Analysis of Secured Debt Transactions	137	94.60	275.30	159.80	59.40	32.40	20.30	130.00	27.40	666.80
Travel - client related	148		197.50			77.70		13.80	23.40	237.90
Totals		849.85	2,019.00	576.35	240.90	341.00	54.30	331.60	276.90	4,689.90

Note: Travel is invoiced at 50% of normal rates

INACOM

Executive Sounding Board Associates Inc.
Summary of Time Incurred by Category

		FEES QUARTERLY FEE APPLICATION								
Category	Code	First Aug 28, - Nov. 30 2000	Second Dec. 1 - May 31, 2001	Third June 1 - Sept 30, 2001	Fourth Oct. 1 - Dec. 31, 2001	Fifth Jan. 1 - June 30, 2002	Sixth July 1, -Sept 30, 2002	Seventh Oct. 1 - Jan. 31, 2003	Eighth Feb. 1 - June 8 2003	Total
Accounts Receivable Analysis	27		\$29,822.00	\$3,515.00	\$3,789.50					\$37,126.50
Administrative	30	\$965.00								\$965.00
Solvency	40		\$ 39,819.00	\$25,895.00						\$65,714.00
Background Analysis	42	\$115,093.00	\$ 122,189.00	\$1,151.50		\$55.00				\$238,488.50
Cash Management Issues	51	\$19,075.00	\$ 39,614.50	\$4,813.00		\$2,532.50	\$352.00	\$1,296.00		\$67,683.00
Claims Analysis	54			\$4,855.50		\$1,440.00		\$1,408.00		\$17,292.00
Insider Transactions	57		\$ 4,018.50	\$2,389.00		\$1,392.00				\$7,799.50
Substantive Consolidation	60		\$ 14,305.50			\$382.50				\$14,688.00
General Case Strategy Discussions	64	\$12,795.50	\$ 7,911.00	\$7,445.00	\$959.00	\$128.00		\$1,016.50	\$13,810.50	\$44,965.50
Fee Application Preparation	74	\$2,695.00	\$ 10,585.50	\$5,550.00	\$2,460.00	\$2,700.00	\$2,124.00	\$1,476.00	\$766.00	\$28,356.50
Retention Objections	76	\$4,464.00								\$4,464.00
Analysis of Financial Statements	77			\$4,312.00	\$19,632.50	\$18,663.50	\$160.00	\$160.00	\$1,664.00	\$44,592.00
Tax Matters	81							\$540.00		\$540.00
Insurance Matters	86							\$1,191.50		\$1,191.50
Compaq Related Analysis	93	\$13,170.00	\$ 56,655.00	\$30,992.00	\$18,623.50	\$27,323.50				\$146,764.00
Committee Meetings and Conference Calls	98	\$8,577.50	\$ 48,770.50	\$5,804.00	\$90.00	\$1,067.00		\$448.00		\$64,757.00
Motion review/work	101	\$11,112.50	\$ 24,334.50	\$13,137.50	\$2,350.00	\$5,341.00	\$3,986.50	\$1,536.00	\$3,200.00	\$64,998.00
Operations Review/Financial Statements	104	\$1,600.00								\$1,600.00
Plan of Liquidation	107			\$390.00						\$390.00
Preferential Transfers	108					\$2,240.00	\$1,807.00	\$47,351.50	\$29,512.50	\$81,301.00
Analysis of Secured Debt Transactions	137	\$24,550.00	\$ 65,489.50	\$40,824.00	\$14,784.50	\$9,334.50	\$6,268.50	\$38,076.00	\$8,063.50	\$61,742.50
Travel - client related	148		\$ 24,785.00			\$21,886.50		\$1,998.00		\$167,534.50
						\$512.00				\$30,411.00
Totals		\$214,097.50	\$ 488,299.50	\$151,073.50	\$62,689.00	\$94,998.00	\$14,346.00	\$93,822.00	\$72,748.50	\$1,192,074.00

Note: Travel is invoiced at 50% of normal rates

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

INACOM CORP., <u>et al.</u>	:	Chapter 11
	:	
	:	Case No. 00-2426(PJW)
	:	
	:	Jointly Administered
Debtors	:	

**EIGHTH QUARTERLY AND FINAL APPLICATION
OF EXECUTIVE SOUNDING BOARD ASSOCIATES INC.,
FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS, FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Executive Sounding Board Associates Inc. (“ESBA” or “the Applicant”) financial advisor to the Official Committee of Unsecured Creditors (“the Committee”) of InaCom Corp., et al. (“the Debtors” or “Inacom”) hereby applies to this Court for (a) interim allowance of the Eighth Quarterly application for compensation and reimbursement of expenses for the period from February 1, 2003 through June 8, 2003 and (b) final allowance of compensation and reimbursement of expenses for the period August 28, 2000 through June 8, 2003 and in support thereof respectfully represents as follows:

BACKGROUND

1. On June 16, 2000 (“the Petition Date”), the Debtors filed with this Court their voluntary petitions for relief under the Bankruptcy Code.
2. Prior to the commencement of the Debtors’ chapter 11 cases, the Debtors were a leading single-source provider of information technology products and technology management services to primarily Fortune 1000 clients. The Debtors distributed their products and services through a marketing network of approximately ninety business centers leased by the Debtors across the country. The Debtors also operated a network of independent dealers, each of which typically had a regional, industry or specific service focus.

3. On February 16, 2000 the Debtors sold their product distribution business and assets to Compaq Corporation for approximately \$369.5 million (subject to purchase price adjustments) plus Compaq's assumption of certain liabilities.
4. Subsequent to the sale of the product distribution business to Compaq, the Debtors' remaining business focused on providing technology services to its customers. The Debtors experienced serious cash flow and profitability challenges during the months immediately following the Compaq transaction. Ultimately the services business was closed and the Debtors filed for bankruptcy on June 16, 2000.
5. Since the filing of the petitions, the Debtors managed their properties and assets as debtors in-possession.
6. On June 30, 2000 the Office of the United States Trustee appointed the Committee.
7. By Order dated October 10, 2000, a copy of which is attached hereto as Exhibit "A", this Court authorized the Committee to retain Applicant to serve as their financial advisor in these proceedings as of August 25, 2000.
8. The Application for an Order Authorizing The Official Committee of Unsecured Creditors to Retain and Employ ESBA as its Financial Advisors and Accountants to render to the Committee the following services:
 - a. assist the Committee in analyzing the extent, validity and priority of liens and security interests;
 - b. assist the Committee in conducting an investigation relating to transactions which may constitute preferential transfers, fraudulent conveyances or giving rise to any other causes of action;
 - c. testify as an expert as needed;
 - d. assist the committee in monitoring and reviewing the ongoing liquidation of the Debtor's assets and related expenses, operating expenses and post-petition disbursements;
 - e. analyzing transactions with insiders and related and affiliated entities;
 - f. analyzing post-petition disbursements to Debtors' secured creditors;
 - g. attend creditors' committee meetings and conferring with representatives of the creditors' committee and counsel;
 - h. preparing verbal and written reports as requested by the Committee;

- i. perform all other necessary accounting or financial advisory services to the Committee in connection with these Chapter 11 cases, including forensic accounting services and such other services as the Committee requests.
9. On March 25, 2003 this Court held a hearing in connections with the Debtors proposed Disclosure Statement and approved the adequacy of the Disclosure Statement for the Joint Plan of Liquidation as Amended (“the Plan”) and of the solicitation procedures. Thereafter the Debtors solicited the approval of certain creditors of the Plan, which approval was overwhelmingly given. The Disclosure Statement includes an estimate that the General Unsecured Claims in class 4(a) will receive between 20% and 41% on their allowed claims.
10. On May 22, 2003 a hearing of this Court was held for the purpose of confirming the Plan. Subsequent to the hearing, the Court entered the order confirming the Plan. The Debtors, the Committee, and ESBA worked together to cause the Plan to become effective on June 9, 2003.
11. Applicant continued to serve as Financial Advisor to the Committee until the Plan became effective on June 9, 2003. Thereafter, ESBA became the Plan Administrator as called for in the Plan.
12. Applicant makes this Application pursuant to Section 331 of the Bankruptcy Code for allowance of compensation for professional services rendered and for reimbursement of expenses necessarily incurred by Applicant in representation of the Committee. Attached hereto as Exhibit “B” is the Affidavit of Applicant with respect to the compensation requested.

THE APPLICATION

13. In this Application, ESBA requests approval of its Eighth Quarterly Application and approval of its Final Application.
14. With regard to the Eighth Quarterly Application, ESBA requests approval for compensation of \$72,748.50 and reimbursement of expenses of \$11,498.52 for the period from February 1, 2003 through June 8, 2003. ESBA has previously filed Monthly Applications for those months, copies of which have been submitted contemporaneously herewith to the Court by the Debtors’ counsel.
15. ESBA also requests Final Allowance of compensation and reimbursement of expenses for its entire Chapter 11 retention, the period August 28, 2000 through June 8, 2003.

ESBA hereby requests: (a) compensation for financial advisory services rendered in the amount of \$1,192,074.00 and (b) reimbursement of expenses incurred in the amount of \$83,466.75. In accordance with the amended Local Rules effective February 1, 2001, ESBA includes travel time during which no work was performed at 50% of regular hourly rates. ESBA has not included any local or regional travel. ESBA has previously filed seven Quarterly Applications and twenty-six Monthly Applications, copies of which have been submitted separately to the Court by the Debtors.

16. The Monthly and Quarterly Applications filed with the Court contain the detailed time entries. This detailed itemization complies with Rule 2016-1 of the Local Rules for the United States Bankruptcy Court for the District of Delaware, effective February 1, 2001, in that each time entry contains a separate time allotment, an activity code, all time is billed in increments of one-tenth of an hour, and the time entries are presented chronologically.

17. In rendering the services described herein, ESBA expended a total of 4,689.9 hours during the Chapter 11 case. The following table summarizes the total hours and professional fees charged by category for the case.

**Summary of Professional Fees
August 25, 2000 to June 8, 2003**

Category	Total Hours	Total Fees
27 Accounts Receivable Analysis	139.9	\$ 37,126.50
30 Administrative	3.6	965.00
40 Solvency	241.1	65,714.00
42 Background Analysis	958.7	238,488.50
51 Cash Management Issues	265.6	67,683.00
54 Claims Analysis	62.9	17,292.00
57 Insider Transactions	32.1	7,799.50
60 Substantive Consolidation	55.1	14,688.00
64 General Case Strategy Discussions	164.8	44,065.50
74 Fee Application Preparation	127.0	28,356.50
76 Retention Objections	16.0	4,464.00
77 Analysis of Financial Statements	161.5	44,592.00
81 Tax Matters	2.4	540.00
86 Insurance Matters	5.0	1,191.50
93 Compaq Related Analysis	552.5	146,764.00
98 Committee Meetings and Conference Calls	249.8	64,757.00
101 Motion review/work	249.7	64,998.00
104 Operations Review/Financial Statements	6.4	1,600.00
107 Plan of Liquidation	281.1	81,301.00
108 Preferential Transfers	210.1	61,742.50
137 Analysis of Secured Debt Transactions	666.8	167,534.50
148 Travel - client related	237.9	30,411.00
Totals	4,689.9	\$ 1,192,074.00

18. Due to the nature of the sale and closing of the Debtors' operations during 2000, ESBA experienced great difficulty in obtaining financial and operating information related to the Chapter 11 pre-filing operations of the Debtors. The difficulties encountered were caused in part by the following conditions and resulted in a the expenditure of substantial efforts to locate, and analyze documents and interpret and understand the information so located:

- a. Only one pre-petition financial executive remained with the Debtors. He had been hired in January 2000 and thus had a very limited understanding of the historical operations and treasury functions of the Debtors.

- b. No employees of the Distribution business remained with the Debtors after the sale of that division to Compaq in February 2000.
- c. The Debtors' financial advisor was retained after the Debtors ceased all operations and terminated nearly all their employees and thus had not been able to obtain information from the employees prior to termination.
- d. After the shut-down, the majority of the Debtors' books, records and files were placed in boxes and sent to a storage facility in Omaha, Nebraska. ESBA was provided a listing of these boxes and informed that the information that we required to advise the Committee might be contained in some of the thousands of boxes listed. ESBA reviewed this listing and selected all boxes that appeared to contain information related to the topics that were relevant to their analyses. ESBA then performed a review of all documents contained in these boxes and obtained copies as needed for further analysis.
- e. It became apparent that substantial amounts of information needed for the investigations might be in the possession of Compaq. Due to the litigation between Compaq, the Debtors and Deutsche Bank, the Debtors obtained limited cooperation in accessing information held by Compaq.

19. The services rendered by ESBA during the term of this engagement can be grouped into the main categories summarized in the chart above and as described in greater detail below.

a. Category 27- Accounts Receivable Analysis

The Committee requested that ESBA review the process and results of the debtors' collection of pre-petition accounts receivable including accounts due from distribution customers, accounts due from service customers and vendor accounts receivable. In particular, the Committee was concerned with the collection of balances due from computer vendors for rebates on purchases of equipment by Inacom prior to the sale of the distribution business to Compaq.

- i. ESBA has worked with the Debtor to understand the collection of over \$100 million owed by vendors to InaCom as of December 31, 1999. These rebate receivables were owed by equipment vendors to InaCom pursuant to special pricing agreements which varied by vendor and by specific pricing situations.

- ii. The collection of the accounts from the service customers was managed by the Debtors' financial advisor, Bridge Associates. ESBA reviewed certain settlements as proposed by the Debtors and advised the Committee accordingly.
- iii. The collection of accounts from the distribution customers was managed by Compaq Computer Corp (post acquisition) which resulted in all the Debtors' records related to these receivables to be located with Compaq. The collection of these receivables was the subject of litigation between the Debtors and Compaq. See Category 95 for further discussion of the Compaq situation.
- iv. Due to the nature of the sale and closing of the Debtors' operations during 2000. ESBA experienced difficulty in obtaining financial and operating information related to the pre-filing operations of the company. Obtaining the information needed to compile these analyses took several months.

b. Category 40- Solvency Analysis

ESBA researched and analyzed certain questions pertaining to the solvency of the Debtors at the time that certain debt repayment transactions took place in late 1999 and early 2000 in connection with the Committee's investigation of the repayment and restructuring of debt facilities with Deutsche Financial Services, Deutsche Bank, and others.

c. Category 42- Background Analysis of Pre-Petition Operations, Corporate Organization and Cash Management.

To provide the Committee with the background of Inacom's operations and activities pre-petition for use in developing ideas and strategies for recovering assets for distribution to creditors as well as to evaluate the progress that the Debtors both prior to and after the sale of the Distribution business to Compaq. This in-depth understanding included the nature of each of the individual operations of the Debtors, the cash management policies and procedures, locations of records accounting systems. Due to the merger of InaCom and Vanstar in 1998, it was necessary to analyze the above items develop the background included:

- i. Meeting with management and Bridge regarding corporate history and the availability of records.
- ii. Reviewing thousands of pages of document storage box indices to identify records relevant to the Committee's investigations. Work with Bridge Associates and management to obtain access to those document storage boxes.

- iii. Reviewing contract files, financial documents, SEC filings, acquisition files and other information obtained from the document storage facilities.
- iv. Analyzing monthly and quarterly financial statements.
- v. Developing an understanding of the corporate structure.
- vi. Preparation of reports for the Committee.
- vii. Developing the basis for further analysis such as solvency claims analysis, substantive consolidation, Compaq related issues and secured debts transactions.

d. Category 51- Analysis of Post-Petition Cash Management

In the early stages of this case, ESBA analyzed the weekly cash flow budgets and reports prepared by the Debtors to provide the Committee with an understanding of the financial condition of the Debtors and the potential for accumulating cash for a distribution. In addition:

- i. ESBA further analyzed the Debtors' cash position in preparation for a hearing on cash collateral.
- ii. ESBA summarized the Debtors' reports, made necessary corrections to reconcile the reports to the prior reports and to other related information and distributed to Committee.
- iii. In connection with the planning for the implementation of the Plan of Liquidation on June 9, 2003, ESBA researched alternative depository accounts for the \$60 million held by the Debtors. During the Chapter 11 proceedings, the funds were subject to the security interest of Deutsche Bank and were accordingly, on deposit with Deutsche Bank. ESBA found that higher interest rates were available from other banks and began the process of determining where to transfer the funds in order to take advantage of the higher rates.

e. Category 54- Claims Analysis

ESBA investigated the nature and history of the transactions giving rise to the claims by the Preferred Trust Securities ("MIPS") holders. ESBA developed information and identified subordination language that ultimately led to the separate classification of the MIPS claims in the Plan of Liquidation. Other matters relating to claims included:

- i. ESBA reviewed claims summary analyses prepared by the Debtors and participated in conference calls regarding the status of such analyses.

- ii. ESBA began planning for making post-confirmation distributions to the creditors as provided for in the Plan and also for making payments in accordance with the settlement of the WARN Act litigation.

f. Category 57- Insider Transactions

At the request of counsel, ESBA analyzed all insider payments made to officers and directors during the one year period prior to the petition date. ESBA obtained copies of the employment agreements for the officers and directors and compared the terms contained within those agreements to the actual terms under which the payments were made by the Debtors. ESBA reviewed their findings with the committee and their counsel in order to determine if there were any possibilities for recovery.

g. Category 59- Substantive Consolidation

In evaluating whether the estates should or could be substantively consolidated, the Committee requested that ESBA assist counsel to develop a recommendation.

- i. ESBA investigated how the Debtors were organized and operated in order to provide counsel with a factual basis for making a recommendation.
- ii. ESBA prepared a matrix comparing the findings of various circuit court decisions to the factual information obtained from the Debtors in order to further aid counsel in making a determination regarding substantive consolidation.

h. Category 64- General Case Discussions

ESBA professionals participated in internal discussions and planning sessions to determine the best approach to responding to the needs of the Committee.

i. Category 74- Fee Application Preparation

ESBA prepared monthly and quarterly fee applications throughout the duration of the Chapter 11 proceedings.

j. Category 76- Retention Objections

The US Trustee filed an objection to certain terms and conditions of the retention of ESBA as financial advisors to the Committee of Unsecured Creditors. ESBA participated in teleconferences and meetings regarding this objection and successfully resolved the objection.

k. Category 77- Analysis of Financial Statements and Projections

ESBA analyzed the nature of the proposed re-statements of the interim and annual financial statements prepared by the Debtors and audited by their accounting firm prior to the Chapter 11 filing.

- i. ESBA developed an understanding of the causes surrounding the Debtors' inability to issue its financial statements for the year ended December 31, 1999.
- ii. ESBA evaluated the roles of management and the Debtors' auditors in the issuance of the inaccurate financial statements during 1998 and 1999 and the impact on the Debtors of those financial statements and the potential for recovery for damages.
- iii. ESBA also evaluated the responsibilities of the outside auditors to the Debtors and the Board of Directors to identify possible causes of action other than the financial statement audits. In accordance with the Plan Administrator agreement, ESBA prepared an initial monthly budget for presentation to the Post-Effective Date Committee in order to obtain approval to pay the expenses of Inacom for the month of June 2003.

l. Category 86- Insurance

At requested by the Committee, ESBA began to investigate the insurance coverage that may be available to insure the Post-Confirmation Committee members in their roles Committee members and to provide bonding or other coverage for ESBA.

m. Category 95- Compaq Related Analysis

Approximately 120 days prior to the filing of the Chapter 11 petitions, the Debtors sold their Distribution business (a very substantial portion of the Debtors' operations) to Compaq for approximately \$369.5 million (subject to purchase price adjustments) plus the assumption of certain liabilities. According to the terms of this sale, Compaq was responsible for maintaining certain accounts receivable records for the Debtors and for collecting for the Debtors' the accounts receivable related to the Distribution business. Certain events transpired after the sale of the distribution business to Compaq which resulted in both the Debtors and Compaq claiming the other had received the proceeds of accounts receivable belonging to the other party. Compaq filed suit against Deutsche Bank and the Debtors as well as filing a claim for over \$260 million. ESBA prepared extensive analysis of the Compaq situation for the Committee and its counsel including:

- i. As part of understanding the events leading to the Chapter 11 filing and in understanding the relationship between Compaq and the Debtors regarding the collection of accounts receivable, the Committee requested that ESBA

review information regarding the relationship between Compaq and the Debtors.

- ii. ESBA prepared a chronological timeline detailing the events leading up to and after the sale of the Distribution business. The information contained in this time line was obtained from a variety of sources including presentations made by the company to its Board of Directors, minutes of the Board of Directors' meetings, interviews conducted with former personnel of the Debtors, asset sale documentation and various files obtained through ESBA's comprehensive search of the Debtors' files.
 - iii. ESBA assisted counsel in preparing 2004 motions to be served on Compaq and helped to provide a comprehensive list of documents to be produced. Once documents were provided by Compaq, ESBA performed a detailed analysis of documents and reported findings to the committee and counsel for the committee.
 - iv. ESBA assisted counsel to prepare for litigation with Compaq including developing and analyzing settlement scenarios and its impact on the estate of the Debtors. This litigation was successfully settled.
- n. Category 98- Preparation for and Participation in Committee Meetings and Conference Calls.

ESBA participated in the Committee meetings/teleconferences that have been held in order for the Committee to discuss and take positions on various matters. Prior to each meeting/teleconference, ESBA prepared to present information developed in its analysis of these matters.

- o. Category 101- Analysis of Other Motions Proposed by Debtor

Throughout the course of the Chapter 11 proceedings, the Committee requested ESBA's assistance in evaluating motions proposed by the Debtors. ESBA focused on the evaluation of the financial ramifications of the motions and did not duplicate the services provided by the Committee's counsel.

- p. Category 107- Plan of Liquidation

ESBA and Committee counsel worked with the Debtors and their professionals to develop and implement the Plan of Liquidation. ESBA participated in conference calls with the Committee to discuss observations and progress towards completion of the Plan, obtaining approval for the Plan and implementing its provisions.

- i. ESBA reviewed the Debtors' initial draft Plan and developed comments and suggested modifications to the Plan. ESBA met with Committee counsel to further develop the suggested modifications for presentation to

the Committee. After obtaining Committee approval, ESBA and counsel worked with Debtors' counsel to successfully implement our suggestions into the draft Plan.

- ii. ESBA reviewed and provided comments on subsequent drafts of the Plan.
- iii. ESBA reviewed and analyzed the calculation of the Debtors' financial advisor's contingent fee. ESBA negotiated changes to the calculation and reported its findings to the Committee.
- iv. ESBA reviewed, negotiated and finalized the Plan Administrator contract, established post effective date operating procedures, reviewed SEC filings, and worked with counsel to merge all subsidiaries into InaCom Corp.
- v. ESBA reviewed the Court's confirmation order, attended the confirmation hearing and held discussions with Debtors' counsel about the status of open matters.
- vi. In order to affect a smooth transition to the post-effective date administration of InaCom, ESBA visited the company's offices in Alpharetta, Georgia to work with Bridge Associates and the few remaining employees on transition issues such as:

(a) The role of Wind-down Associates in the post-effective date Inacom.

(b) The establishment of a timeline of actions to be taken.

q. Category 108 Preferential Transfers

At the request of counsel, ESBA developed an understanding of the Debtors' analytical process for settlements of preferential transfer claims and reviewed settlements proposed by the Debtors. ESBA reviewed their findings and observations with the Committee and counsel. ESBA's accomplishments include:

- i. ESBA performed an in-depth analysis of the Dell Computer preference claim that totaled over \$5 million. ESBA evaluated the ordinary course arguments that involved analyzing the payment patterns of thousands of invoices and investigated other issues relevant to countering arguments of ordinary course that were asserted by Dell. ESBA participated in conference calls with the Debtors representatives, Dell Computer and Committee counsel to discuss Dell's asserted defenses. Based on ESBA's analysis, the Committee did not agree with the settlement proposed by the Debtors.
- ii. ESBA reviewed the status of open preference actions, including the proposed settlements of the Goldman and Ingram Micro actions and the documents regarding the \$52 million action against IBMCC, with

Debtors' counsel and Committee counsel prior to the Effective Date of the Plan, and suggested directions with regard towards analyzing and/or setting the claims.

r. Category 117- Analysis of Secured Debt Transactions

At the request of Counsel for the Committee, ESBA developed an understanding of the several significant financing arrangements that existed pre-petition and the re-payments thereof that occurred in the months leading to the Chapter 11 petition. Our investigation included:

- i. Prior to the sale of the Distribution business in February 2000, the Debtors had secured financing arrangements with Deutsche Bank (and participants), Deutsche Financial Services and IBM Credit Corporation and Nesbitt-Burns. The Debtors also had unsecured subordinated debt that was re-paid in 1999 and a trust that issued preferred stock. As of December 1999, the outstanding balances on these facilities exceeded \$1.2 billion. Prior to the filing of Chapter 11, all these secured financing arrangements were repaid, with the exception of Deutsche Bank.
- ii. As mentioned previously, the circumstances under which the company ceased operations in 2000 caused ESBA to experience some difficulty in obtaining the necessary documents/information related to the above financing arrangements. ESBA was able to locate many of the loan agreements for the above secured facilities only after searching through the listing of thousands of boxes located in the storage facility.
- iii. After extensive review of the Debtors' files, ESBA developed an understanding of the secured financing arrangements as well as the details surrounding the re-payments. ESBA provided the Committee and its counsel with detailed chronologies of significant events related to each financing arrangement as well as copies of relevant documents. These analyses were developed in order to aid the Committee in its understanding of the financing arrangements of the Debtors as well as to help them in reaching a conclusion regarding potential causes of action against these lenders resulting from their pre-petition pay-downs.
- iv. ESBA also worked with counsel for the Committee in drafting the 2004 motions and document requests that were served upon all the pre-petition secured lenders. ESBA then reviewed all documents produced as a result of these motions and included any pertinent information in its above-mentioned analyses and reported any findings to the Committee.
- v. ESBA performed analyses of the Debtors' secured financing in order to determine if any collateral shortfall existed at the time of pre-petition pay-downs.

s. Category 148- Travel- Client Related

Certain ESBA professionals traveled through Atlanta, GA to the Debtors' offices located in Alpharetta, Georgia in order to obtain access to the Debtors' records and personnel. Such travel was necessary in order to perform the various analyses requested by the Committee.

20. The costs expended by ESBA in providing these services to the Committee is detailed in the copies of the fee applications previously filed with this Court and which are summarized at the beginning of this application. These costs for which reimbursement is required total \$83,466.75 for the period August 28, 2000 through June 8, 2003. The breakdown of costs includes long distance phone charges, meals, lodging, airfare, rail charges, parking/taxi/mileage, car rental, legal fees, facsimile charges for outgoing faxes at \$1.00 per page and photocopying charges @ \$.15 per page.
21. The Applicant has no agreement to share any compensation to be received by it for services rendered in connection with the instant case.
22. Section 330(a)(3)(A) of the Bankruptcy Code directs this Court to consider "the nature, the extent, and the value of such services, taking into account all relevant factors, including (A) the time spent on such services; (B) the rates charged for such services; (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title; (D) whether the services were performed within reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue or task addressed; and (E) whether the compensation is reasonable based on the customary compensation charged by comparing skilled practitioners in cases other than cases under this title." ESBA submits that consideration of the above stated standard for compensation should lead this Court to allow in full the compensation requested by this Application. The factors established by the Fifth Circuit in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717 (5th Cir. 1974) likewise militate for allowance in full of Applicant's request. Courts applying the Johnson Factors when addressing professional fee applications generally consider (i) the time and labor required; (ii) the novelty and difficulty of the questions presented;

(iii) the skill requisite to perform the legal (professional) service properly; (iv) the preclusion of other employment by the professional due to acceptance of the case; (v) the customary fee to private clients for the services rendered; (vi) whether the fee is fixed or contingent; (vii) time limitations imposed by the client or the circumstances; (viii) the amount involved and the results obtained; (ix) the experience, reputation and ability of the professionals; (x) the “undesirability” of the case; (xi) the nature and length of the professional relationship with the client; and (xii) awards in similar cases. ESBA has complied with the twelve factors described above as reflected below.

- i.) Time and Labor Required. During the course of this case, the total number of hours expended by ESBA personnel was 4,689.90 hours. Throughout these proceedings, ESBA has worked on this case at the high level of expertise required by the complexity of the bankruptcy and business restructuring issues presented by this case. A review of the time records will reveal that there has been no duplication of efforts or busy work. ESBA believes that it has made the most efficient use of the time and expertise of its professionals.
- ii.) The novelty and difficulty of the questions presented. ESBA believes that this case presents questions that are novel and difficult and which demand a high level of skill from the Applicant. The breadth and difficulty of the tasks that ESBA performed on behalf of the Committee are described above.
- iii.) The skill requisite to perform the professional service properly. ESBA believes that it possesses the required skills and exhibited a high degree of skill and expertise in performing the requisite services essential to the Committee in this chapter 11 case.
- iv.) Preclusion of other employment due to the acceptance of this case. ESBA has not refused other employment by virtue of these cases.
- v.) Customary fees. The hourly rates of the Applicant reflect the hourly rates the Applicant bills to its clients in other bankruptcy and commercial cases. ESBA is confident that the Court is familiar with the customary fees charged in this area and that the fees sought are within the normal and customary range for financial consulting services.
- vi.) Contingent nature of fees. The Applicant’s compensation in this matter is subject to final approval by this Court and therefore is contingent except only to the extent that the compensation sought in ESBA’s application has not yet received such final approval.

The amount requested is consistent with the fee which the Applicant would charge its clients in other non-contingent, bankruptcy and commercial cases

- vii.) Time limitations imposed by the client or circumstances. The ability and skill required to assist the Committee merits favorable consideration and an award of compensation. ESBA has devoted the appropriate amount of resources as warranted by the complexities of these cases. Certain time limitations have been imposed on ESBA's personnel during the pendency of these cases, and these limitations required the expenditure of much time and effort on the part of ESBA's professionals and were met with a high degree of skill and competence.
- viii.) Amount involved and the result obtained. The amount involved in this case is in line with that requested in other cases this size. ESBA assisted the Debtors to effectively seek to maximize the recovery to creditors. ESBA has discharged its responsibility with a high level of professional skill and competence.
- ix.) Experience, reputation and ability of the professionals. ESBA and its professionals have been involved in numerous bankruptcy proceedings and have had significant experience in serving Committees. ESBA utilized its professionals with the most relevant experience.
- x.) The "undesirability" of the case. Undesirability has not been a factor in this case.
- xi.) The nature and length of the professional relationship with the client. The Committee initially retained ESBA on August 28, 2000 to assist the Committee in its official capacity and this Court approved such retention on October 10, 2000.
- xii.) Awards in similar cases. ESBA asserts that the fees sought are very much in line with those allowed in similar chapter 11 proceedings. ESBA will rely on the Court's knowledge of fees in similar cases.

Overall, ESBA has worked diligently since being retained to assist the Committee in maximizing the returns to creditors. In each and every instance, ESBA's services were rendered efficiently and without duplication, by personnel having the appropriate level of skill and expertise and have been billed at rates and in accordance with practices generally accepted by ESBA's non-bankruptcy client.

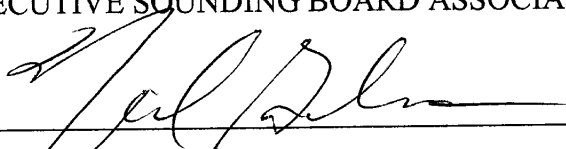
23. As required by the Administrative Order, a copy of this Application has been served upon the Debtors, their counsel, counsel to the Debtors' lenders and the Office of the United States Trustee.

Wherefore, Executive Sounding Board Associates Inc. respectfully requests that this Court enter an Order granting the instant Application: (i) interim approval of the Eighth Quarterly application for compensation and reimbursement of expenses for the period from February 1, 2003 through June 8, 2003 and (b) final approval of compensation and reimbursement of expenses for the period August 28, 2000 through June 8, 2003; (iii) directing payment of the unpaid balance of its Eighth Quarterly application (the prior seven Quarterly applications being fully paid); and (iv) for such other and further relief as this Court deems necessary and just.

Respectfully submitted,

EXECUTIVE SOUNDING BOARD ASSOCIATES INC.

By: _____



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