

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

In re: )  
 ) Chapter 11  
AMERICAN TISSUE, INC., et al., )  
 ) Case No. 01-10370 (RAB)  
 ) (Jointly Administered)  
Debtors. )

**STATEMENT OF FEES FOR PROFESSIONAL SERVICES  
RENDERED AND DISBURSEMENTS INCURRED AS CO-COUNSEL  
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Name of Applicant: Cozen O'Connor  
Authorized to Provide Professional Services to: Official Committee of Unsecured Creditors  
Date of Retention: January 11, 2002 nunc pro tunc to  
September 24, 2001  
Period for which final compensation  
and reimbursement is sought: September 24, 2001 through  
May 31, 2002  
Amount of interim compensation sought as actual, reasonable, and necessary: \$7,511.00  
Amount of interim expense reimbursement sought as actual, reasonable, and necessary: \$2,608.82  
Amount of final compensation sought as actual, reasonable, and necessary: \$44,264.50  
Amount of final expense reimbursement sought as actual, reasonable, and necessary: \$5,406.43  
This is an:     Interim   X   Final Application     Monthly Statement

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*If this is not the first statement remitted, disclose the following for each prior statement:*

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
1/28/02	<b>(First Monthly Application)</b> September 24, 2001 through October 31, 2001	\$7,389.00	\$53.45	\$7,389.00	\$53.45
1/29/02	<b>(Second Monthly Application)</b> November 1, 2001 through November 30, 2001	\$6,026.50	\$860.42	\$6,026.50	\$860.42
1/30/02	<b>(Third Monthly Application)</b> December 1, 2001 through December 31, 2001	\$4,555.50	\$446.68	\$4,555.50	\$446.68
2/27/02	<b>(Fourth Monthly Application)</b> January 1, 2002 through January 31, 2002	\$9,300.00	\$341.22	\$9,300.00	\$341.22
4/1/02	<b>(Fifth Monthly Application)</b> February 1, 2002 through February 28, 2002	\$6,285.00	\$466.99	\$6,285.00	\$466.99

4/25/02	<b>(Sixth Monthly Application</b> March 1, 2002 through March 31, 2002	\$3,197.50	\$628.85	\$3,197.50	\$628.85
7/8/02	<b>(Seventh Monthly Application)</b> April 1, 2002 through May 31, 2002	\$7,511.00	\$2,608.82		
<b>TOTAL</b>		<b>\$44,264.50</b>	<b>\$5,406.43</b>	<b>\$36,753.50</b>	<b>\$2,797.61</b>

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In re:	)	
	)	Chapter 11
AMERICAN TISSUE, INC., <u>et al.</u> ,	)	
	)	Case No. 01-10370 (RAB)
	)	(Jointly Administered)
Debtors.	)	
	)	<b>Objection Deadline: July 29, 2002 at 4:00 p.m.</b>
	)	<b>Hearing Date: TBD</b>

**SEVENTH AND FINAL APPLICATION OF COZEN O’CONNOR, AS CO-COUNSEL FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR ALLOWANCE AND PAYMENT OF COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES**

Pursuant to sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated October 16, 2001 (the “Administrative Order”), and Local Rule 2016-2, Cozen O’Connor (“Cozen”) files this Seventh and Final Application for Allowance of Compensation and Reimbursement of Expenses (the “Application”). By this Application, Cozen seeks an interim allowance of \$7,511.00 as compensation and \$2,608.82 for reimbursement of expenses for a total of \$10,119.82 for the period of April 1, 2002 through May 31, 2002 (the “Seventh Interim Period”), and final approval of all fees and expenses incurred in these cases in the amount of \$49,670.93. In support of this Application, Cozen respectfully represents as follows:

**Background**

1. On September 10, 2001, American Tissue, Inc. and 27 of its affiliates (the “Debtors”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.
2. On September 11, 2001, an order was entered authorizing the joint administration of the Debtors’ bankruptcy cases.

3. On September 24, 2001, the Office of the United States Trustee appointed an Official Committee of Unsecured Creditors, pursuant to 11 U.S.C. §1102 (the “Committee”). The Committee is comprised of the following creditors: Perry H. Koplik & Sons, Inc., Hershman Recycling, Inc., Great American Insurance Co., Public Service Company of New Hampshire, Fibre Marketing Group, LLC, TXU Energy Services, Inc. and Paper, Allied-Industries, Chemical & Energy Workers (PACE). Following the formation of the Committee, the Committee determined to retain Thelen, Reid & Priest, LLP and Cozen as co-counsel for the Committee, subject to Bankruptcy Court approval, as its counsel pursuant to 11 U.S.C. §1103.

4. On October 16, 2001, the Bankruptcy Court entered its Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the “Administrative Order”). The Administrative Order provides that professionals retained in these cases may file a monthly interim fee application on or after the 25<sup>th</sup> day of each month following the month for which compensation is sought. Upon the filing a certificate of no objection to an interim fee application, the Debtors shall promptly pay the professional 80% of its requested fees and 100% of the requested expenses without the need for the entry of an Order of this Court.

5. On January 11, 2002, an order was entered authorizing the retention of Thelen, Reid & Priest, LLP as Counsel to the Committee. On January 11, 2002, an order was entered authorizing the retention of Cozen as co-counsel for the Committee *nunc pro tunc* to September 24, 2001. The order provides that Cozen will be compensated on an hourly basis and reimbursed for actual and necessary out-of-pocket expenses it incurs.

6. During the period covered by this Application, Cozen has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity in connection with the matters covered by this Application. There is no agreement

or understanding between Cozen and any other person other than among the members of Cozen for the sharing of compensation to be received for services rendered in these cases.

7. On January 28, 2002, Cozen filed its First Application of Cozen O'Connor, as Co-Counsel for the Official Committee of Unsecured Creditors, for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses (the "First Application") requesting a total of \$7,442.45 for the time period of September 24, 2001 through October 31, 2001. On February 19, 2002, Cozen filed a Certification of No Objection with respect to the First Application.

8. On January 29, 2002, Cozen filed its Second Application of Cozen O'Connor, as Co-Counsel for the Official Committee of Unsecured Creditors for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses (the "Second Application") requesting a total of \$6,886.92 for the time period of November 1, 2001 through November 30, 2001. On February 20, 2002, Cozen filed a Certification of No Objection with respect to the Second Application.

9. On January 31, 2002, Cozen filed its Third Application of Cozen O'Connor, as Co-Counsel for the Official Committee of Unsecured Creditors for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses (the "Third Application") requesting a total of \$5,002.18 for the time period of December 1, 2001 through December 31, 2001. On February 20, 2002, Cozen filed a Certification of No Objection with respect to the Third Application.

10. On February 27, 2002, Cozen filed its Fourth Application of Cozen O'Connor, as Co-Counsel for the Official Committee of Unsecured Creditors for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses (the "Fourth Application") requesting a total of \$9,641.22 for the time period of January 1, 2002 through

January 31, 2002. On March 20, 2002, Cozen filed a Certification of No Objection with respect to the Fourth Application.

11. On April 1, 2002, Cozen filed its Fifth Application of Cozen O'Connor, as Co-Counsel for the Official Committee of Unsecured Creditors for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses (the "Fifth Application") requesting a total of \$6,751.99 for the time period of February 1, 2002 through February 28, 2002. On April 23, 2002, Cozen filed a Certification of No Objection with respect to the Fifth Application.

12. On April 30, 2002, Cozen filed its Sixth Application of Cozen O'Connor, as Co-Counsel for the Official Committee of Unsecured Creditors for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses (the "Sixth Application") requesting a total of \$3,826.35 for the time period of March 1, 2002 through March 31, 2002. On May 21, 2002, Cozen filed a Certification of No Objection with respect to the Sixth Application.

#### **Identity of Professionals**

13. The members, associates and paraprofessionals of Cozen who have rendered professional services in these cases during the Seventh Interim Period are as follows: Frederick B. Rosner, attorney, Jennifer L. Scoliard, attorney, Shelley A. Kinsella, attorney Pamela A. McGuirk, paralegal and Gretchen C. Bellamy, paralegal.

14. Cozen served as local counsel for the Committee and has advised the Committee with respect to issues relating to local practice and procedure, the Debtors' operations and proposed transactions and the cases generally. Further, Cozen has prepared and/or assisted in the preparation of various objections, applications, orders and other pleadings, and has met with interested parties and appeared in Court on behalf of the Committee.

### **Summary of Services by Project**

15. The services rendered by Cozen during the Seventh Interim Period can be grouped into the categories set forth below. The attorneys and paraprofessionals who rendered services relating to each category are identified, along with the number of hours for each individual and the total compensation sought for each category, in **Exhibit A** attached hereto.

A. **BKD311: Asset Disposition**

Fees: \$1,200.50

Total Hours: 5.90

This category includes tasks related to the sale of the Debtors' assets and closing issues.

B. **BKD313: Case Administration**

Fees: \$1,263.00

Total Hours: 6.00

This category includes tasks related to case management and monitoring docket updates, review of miscellaneous pleadings, budget review, monthly reports, schedules and statement of financial affairs, conferences, correspondence and memorandum to Committee members and/or their counsel.

B. **BKD314: Claims Administration and Objections**

Fees: \$39.00

Total Hours: 0.20

This category includes tasks related to creditor claims and objections.

C. **BKD316: Fee/Employment Applications**

Fees: \$2,809.50

Total Hours: 19.80

This category includes preparing of fee and employment applications for the Committee and/or its professionals and reviewing applications filed by other professional persons.



D. BKD319: Litigation

Fees: \$2,082.00

Total Hours: 10.40

This category includes tasks related to preparing and filing of motions and objections to motions, attending hearings on such pleadings, and adversary proceedings.

E. BKD321: Relief From Stay Proceedings

Fees: \$117.00

Total Hours: .60

This category includes tasks related to motions for relief from the automatic stay.

**Valuation of Services**

16. Attorneys and Paralegals of Cozen have expended a total of 42.90 hours in connection with this matter during the Seventh Interim Period as follows:

<u>ATTORNEYS/PARALEGALS</u>	<u>HOURS</u>	<u>RATE</u>
Frederick B. Rosner	1.50	\$320.00
Jennifer L. Scoliard	5.40	\$210.00
Shelley A. Kinsella	23.50	\$195.00
Pamela A. McGuirk	.10	\$125.00
Gretchen C. Bellamy	12.40	\$105.00

17. The nature of the work performed by these persons is fully set forth in **Exhibit A** attached hereto. These are Cozen's normal hourly rates for work of this character. The reasonable value of the services rendered by Cozen to the Committee during the Seventh Interim Period is \$7,511.00.

18. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by Cozen is fair and reasonable given (a) the complexity of the case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services

other than in a case under this title. Moreover, Cozen has reviewed the requirements of Local Rule 2016-2 and believes that this Application complies with that Local Rule.

#### **Actual and Necessary Expenses**

19. A summary of actual and necessary expenses incurred by Cozen for the Sixth Period is attached hereto as **Exhibit B**. Cozen currently charges all of its bankruptcy clients \$.15 per page for photocopying expenses. In addition, Cozen utilizes outside copier services for high-volume projects, and this Application seeks the recovery of those costs, if applicable. Cozen also charges all of its clients \$1.00 per page for outgoing facsimile transactions. On-line legal research (Lexis and Westlaw) is charged to the clients at Cozen's discounted cost. The standard cost of Lexis and Westlaw research sessions is discounted each month by allocating the savings realized during that month pursuant to special contracts Cozen has negotiated with Lexis and Westlaw.

20. Cozen believes the foregoing rates are the market rates that the majority of law firms charge clients for such services.

#### **Final Allowance of All Fees and Expenses**

21. On or about May 28, 2002 Fred Rosner ("Rosner") left the employ of Cozen and joined the firm of Jaspan, Schlesinger, Hoffman, LLP ("Jaspan"). Rosner was the responsible partner for this matter at Cozen. Upon learning of Rosner's departure from Cozen, the Committee decided to retain Jaspan as local counsel for the Committee and relieve Cozen from this engagement, subject to Court approval.

22. Jaspan has agreed to represent the Committee as local counsel and, indeed, has been informally representing the Committee since late May, 2002. Recently, Jaspan filed an application to relieve Cozen and retain Jaspan as local counsel for the Committee.

23. In light of the Committee's decision to retain the Jaspán firm effective as of late May, 2002, Cozen files this Application seeking final approval of all fees and expenses incurred from the date of its retention through May 31, 2002.

WHEREFORE, Cozen respectfully requests that the Court enter the order attached hereto as **Exhibit C** providing that for the period April 1, 2002 through May 31, 2002, an allowance be made to Cozen in the sum of \$7,511.00 as compensation for necessary professional services rendered, and \$2,608.82 for reimbursement of actual necessary costs and expenses, for a total of \$10,119.82, and that all fees and expenses incurred in these cases be approved on a final basis totaling \$49,670.93, and grant such other and further relief as this Court may deem just and proper.

Dated: July 8, 2002  
Wilmington, DE

**COZEN O'CONNOR**  
Co-Counsel for the Official Committee  
of Unsecured Creditors

BY: /s/ Mark E. Felger  
Mark E. Felger (3919)  
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Phone: (302) 295-2000  
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**VERIFICATION**

STATE OF DELAWARE           :  
  :  
  :       SS  
COUNTY OF NEW CASTLE    :

Mark E. Felger, after being duly sworn according to law, deposes and says:

1.       I am a Senior Member with the applicant firm, Cozen O'Connor.
2.       I have reviewed the foregoing Application and the facts set forth therein

are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Local Rule 2016-2, and submit that the Application substantially complies with Local Rule 2016-2.

*/s/ Mark E. Felger*  
Mark E. Felger

Sworn to and Subscribed before  
me this 8th day of July 2002

*/s/ Monica L. Brickley*  
Notary Public