

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

<b>In re:</b>	)	
	)	<b>Jointly Administered</b>
<b>LERNOUT &amp; HAUSPIE,</b>	)	<b>Case No. 00-4398 (JHW)</b>
<b>SPEECH PRODUCTS, N.V., et al.,</b>	)	
	)	<b>Chapter 11</b>
<b>Debtors.</b>	)	

**FINAL APPLICATION FOR COMPENSATION  
AND FOR REIMBURSEMENT OF EXPENSES**

Name of Applicant: Akin, Gump, Strauss, Hauer & Feld, L.L.P.

Authorized to Provide  
Professional Services to: Official Committee of Unsecured Creditors

Date of Retention: January 13, 2001 (nunc pro tunc to December 13, 2000)

Period for which compensation  
and reimbursement is sought: December 13, 2000 through February 28, 2001

Amount of Compensation sought as  
actual, reasonable, and necessary: \$116,857.90

Amount of Expense Reimbursement sought  
as actual, reasonable, and necessary: \$5,371.03

This is a final fee application with respect to the Dictaphone Corporation Chapter 11 case.

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

<b>In re:</b>	)	
	)	
<b>LERNOUT &amp; HAUSPIE</b>	)	<b>Jointly Administered</b>
<b>SPEECH PRODUCTS N.V., et al.,</b>	)	<b>Case No. 00-4398 (JHW)</b>
	)	
<b>Debtors.</b>	)	<b>Chapter 11</b>

**APPLICATION OF AKIN GUMP STRAUSS  
HAUER & FELD, L.L.P., CO-COUNSEL FOR  
THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS OF DICTAPHONE CORPORATION,  
FOR FINAL ALLOWANCE OF COMPENSATION  
AND FOR THE REIMBURSEMENT OF EXPENSES  
FOR SERVICES RENDERED DURING THE PERIOD  
DECEMBER 13, 2000 THROUGH FEBRUARY 28, 2001**

**TO: THE HONORABLE JUDITH H. WIZMUR,  
UNITED STATES BANKRUPTCY COURT JUDGE:**

Akin Gump Strauss Hauer & Feld LLP (“Akin Gump” or “Applicant”),  
co-counsel to the Official Committee of Unsecured Creditors (the “Committee”) of  
Lernout & Hauspie Speech Products N.V. (“L&H”) and its affiliated debtors and  
debtors-in-possession (the “Debtors”) until February 28, 2001, for its final application  
pursuant to 11 U.S.C. § 330 for a final allowance of compensation for services rendered  
and for reimbursement of expenses incurred in connection therewith, respectfully  
represents:

## **I. INTRODUCTION**

1. By this application, Akin Gump seeks (i) a final allowance and award of compensation for the professional services rendered by Akin Gump as attorneys for the Committee for the period from December 13, 2000 through February 28, 2001 (the "Compensation Period") in the amount of \$116,857.90; and (ii) reimbursement of actual and necessary expenses incurred by Akin Gump during the Compensation Period in connection with the rendition of such professional services and paraprofessional services in the amount of \$5,371.03.

2. On February 28, 2001, the United States Trustee formed a separate committee of unsecured creditors of Dictaphone Corporation (the "Dictaphone Committee") and Akin Gump becomes counsel to the unsecured creditors of Lernout & Hauspie Speech Products N.V. and L&H Holdings USA, Inc.

3. Pursuant to the Second Amended Administrative Order, Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, the fees and expenses requested in this Application represent 20% of the fees and expenses incurred by Akin Gump during the Compensation Period.

4. On November 9, 2000, this Court entered an order awarding Akin Gump allowance of compensation in the amount of \$815,631.89 and reimbursement of expenses in the amount of \$41,099.03 for services rendered during the period December 13, 2000 through March 31, 2001 (the "Fee Order"). Pursuant to the Fee

Order, Akin Gump's requested fees were reduced by \$26,501.86 and reduced the requested expenses by \$5,377.95. Akin Gump has allocated \$23,909.86 of the Court's reduction to the period of December 13, 2000 through February 28, 2001. Akin Gump has received payment of the amounts awarded in the Fee Order.

5. Venue of this proceeding and this Application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are 11 U.S.C. §330 and Federal Rules of Bankruptcy Procedure 2002(a) and 2016.

## **II. BACKGROUND**

6. On November 29, 2000 (the "Petition Date"), the Debtors filed with this Court their voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

7. After the Petition Date, the Debtors continued in possession of their property and continued to operate and manage their businesses as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

8. On January 31, 2002, Dictaphone Corporation filed its Third Amended Plan of Reorganization (the "Plan") and amended disclosure statement (the "Disclosure Statement"). On March 13, 2002, the Court entered an order (the "Confirmation Order") confirming the Plan. The Plan became effective on March 28, 2002.

### **A. Formation of the Committee**

9. On December 13, 2000, the United States Trustee formed the Official Committee of Unsecured Creditors of all the three Debtors (the "Committee"),

consisting of the following nine members: KBC Bank, Fortis Financial Services (“Fortis”), Deutsche Bank, State Street Bank & Trust Company (“State Street”), U.S. Trust Company of New York (“U.S. Trust”), Merrill Lynch Corporate Bond Fund Inc. - High Income Portfolio (“Merrill”), Wilmington Trust Company (“WTC”), JVC Americas Corp. (“JVC”) and Studio Tognini.

10. On December 18, 2000, Merrill resigned from the Committee.

B. Formation of the Dictaphone Committee and L&H Committee

11. On February 28, 2001, the United States Trustee formed a separate committee of unsecured creditors of Dictaphone Corporation (the “Dictaphone Committee”) and reformed the Committee to include only the unsecured creditors of Holdings and L&H. The Dictaphone Committee consists of Merrill, Deutsche Bank, State Street, Dresdner Bank, JVC, Consec Capital Management, Inc. (“Consec”) and Magten Asset Management Corp. (“Magten”).

12. Concurrently with the formation of the Dictaphone Committee, the United States Trustee removed Deutsche Bank, JVC and State Street, unsecured creditors of Dictaphone Corporation, from the Committee and reformulated the Committee as the L&H Committee, consisting only of unsecured creditors of L&H and Holdings. Artesia Banking Corporation (“Artesia”) was added to the L&H Committee. The L&H Committee currently consists of Artesia, KBC, Fortis, U.S. Trust, Wilmington Trust and Studio Tognini.

13. Applicant has received no payment and no promises for payment from any source for services rendered in connection with these cases. There is no agreement or understanding between the Applicant and any other person (other than members of Akin Gump) for the sharing of compensation to be received for the services rendered in these cases.

14. Pursuant to the Administrative Fee Order, Akin Gump filed its (i) First Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period of December 13, 2000 through December 31, 2000 in the amounts of \$85,663.35 for fees and \$1,370.36 for expenses (the "First Interim Fee Application"); (ii) Second Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period January 1, 2001 through January 31, 2001 in the amounts of \$255,394.00 for fees and \$10,159.39; and (iii) Third Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period February 1, 2001 through February 28, 2001 in the amounts of \$262,358.25 for fees and \$19,358.85 for expenses (the "Third Interim Fee Application").

15. As stated in the Affirmation of Ira S. Dizengoff, Esq., annexed hereto as Exhibit "A," all of the services for which interim compensation is sought herein were rendered for or on behalf of the Committee solely in connection with these cases.

### **III. SUMMARY OF SERVICES RENDERED**

16. Since December 13, 1999, Akin Gump has rendered professional services to the Committee as requested and as necessary and appropriate in furtherance of the interests of the Debtors' unsecured creditors. The variety and complexity of these cases and the need to act or respond on an expedited basis in furtherance of the Committee's needs have required the expenditure of substantial time by personnel from several legal disciplines, on an as-needed basis.

17. Akin Gump respectfully submits that the professional services that it rendered on behalf of the Committee were necessary and have directly contributed to the effective administration of these cases, including Dictaphone.

18. The services rendered by Akin Gump for the period of December 13, 2000 through February 28, 2001 are described in the three interim fee applications, which are on file with this Court and are incorporated herein by reference. As this Court is aware, while Akin Gump represented the Committee for all three estates it allocated its fees and expenses to each estate. That allocation was approved by this Court. The final fees and expenses sought against Dictaphone Corporation ("Dictaphone") represent 20% of the total fees and expense against all three estates for The Compensation Period. The allocation represents good faith estimate of fees and expenses allocable to Dictaphone

19. Akin Gump respectfully submits that the professional services that it rendered on behalf of the L&H Committee were necessary and have directly contributed to the effective administration of these cases.

**IV. FACTORS TO BE CONSIDERED IN AWARDING ATTORNEYS' FEES**

20. The factors to be considered in awarding attorneys fees have been enumerated in In re First Colonial Corporation of America, 544 F.2d 1291, 1298-99 (5<sup>th</sup> Cir. 1977), reh'g denied, 547 F.2d 573, cert. denied, 431 U.S. 904, which standards have been adopted by most courts. Akin Gump respectfully submits that a consideration of these factors should result in this Court's allowance of the full compensation sought.

(A) The Time and Labor Required. The professional services rendered by Akin Gump on behalf of the Committee have required the continuous expenditure of substantial time and effort, under significant time pressures. The services rendered required a high degree of professional competence and expertise in order to be administered with skill and dispatch.

(B) The Novelty and Difficulty of Questions. In this case, as in all others in which the firm is involved, Akin Gump's effective advocacy and creative approach have helped clarify and resolve such issues.

(C) The Skill Requisite to Perform the Legal Services Properly. Akin Gump believes that its recognized expertise in the area of corporate reorganization, its ability to draw from highly experienced professionals in other areas of Akin Gump's practice, and its creative approach to the resolution of issues contributed to the maximization of distributions to the Dictaphone's unsecured creditors.



- (D) The Preclusion of Other Employment by Applicant Due to Acceptance of the Case. Due to the size of Akin Gump's insolvency department, Akin Gump's representation of the Committee has not precluded its acceptance of new clients.
- (E) The Customary Fee. The fee sought herein is based upon Akin Gump's normal hourly rates for services of this kind. Akin Gump respectfully submits that the fee sought herein is not unusual given the magnitude and complexity of these cases and the time expended in attending to the representation of the Committee, and is commensurate with fees Akin Gump has been awarded in other cases, as well as with fees charged by other attorneys of comparable experience.
- (F) Whether the Fee is Fixed or Contingent. Pursuant to sections 330 and 331 of the Bankruptcy Code, all fees sought by professionals employed under section 327 of the Code are contingent pending final approval by this Court, and are subject to adjustment dependent upon the services rendered and the results obtained.
- (G) Time Limitations Imposed by Client or Other Circumstances. As already indicated, Akin Gump has been required to attend to certain issues arising in these cases in a compressed and urgent time-frame.
- (H) The Amount Involved and Results Obtained. Through the efforts of Akin Gump, the Committee was an active participant in these Chapter 11

cases during the Compensation Period, and its constructive assistance, as well as criticism, has greatly contributed to enhancement of the recoveries available to the Debtors' creditors and to the efficient administration of these cases.

(I) The Experience, Reputation and Ability of the Attorneys. Akin Gump has a large and sophisticated insolvency practice and is playing and has played a major role in numerous cases of national import including, for example, the reorganization proceedings of Levitz Furniture Incorporated, Hillsborough Holdings Corporation, Scott Cable Communications, Inc., Boston Chicken, Inc., CRIIMI MAE, Inc., New Valley, Inc., Raytech Corporation, Purina Mills, Inc., OpTel Inc., Eagle Geophysical, Inc., DIMAC, Inc., Genesis Health Ventures, Inc., Cambridge Industries, Inc., Toshoku America, Inc., Barneys, Inc., Livent, Inc., Pittsburgh Penguins and Golden Books Publishing Company, Inc. Akin Gump's experience enables it to perform the services described herein competently and expeditiously. In addition to its expertise in the area of corporate reorganization, Akin Gump has called upon the expertise of its partners and associates in other practice areas to perform the wide ranging scope of the legal work necessitated by these cases.

(J) The "Undesirability" of the Case. These cases are not undesirable.

(K) Nature and Length of Professional Relationship. Akin Gump was selected as counsel to the Committee on December 13, 2000. The Court entered an order on January 18, 2001 authorizing the, nunc pro tunc, employment and retention to Akin Gump to December 13, 2000. Akin Gump has rendered services to the Committee from December 13, 2000 and continuing through the Compensation Period, as necessary and appropriate.

**V. ALLOWANCE OF COMPENSATION**

21. The professional services rendered by Akin Gump required a high degree of professional competence and expertise so that the numerous issues requiring evaluation and determination by the Committee could be addressed with skill and dispatch and have, therefore, required the expenditure of substantial time and effort. It is respectfully submitted that the services rendered to the Committee were performed efficiently, effectively and economically, and the results obtained to date have benefited not only the members of the Committee, but also the unsecured creditor body as a whole and the Debtors' estates.

22. With respect to the level of compensation, 11 U.S.C. § 330(a)(1) provides, in pertinent part, that the Court may award to a professional person:

reasonable compensation for actual, necessary services rendered ...

Section 330(a)(3)(A), in turn, provides that

In determining the amount of reasonable compensation to be awarded, the court shall 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 a 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 comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. §330(a)(3)(A). The clear Congressional intent and policy expressed in this statute is to provide for adequate compensation in order to continue to attract qualified and competent bankruptcy practitioners to bankruptcy cases.

23. The total time spent by Akin Gump attorneys and paraprofessionals during the Compensation Period was 1,578.05 hours. The work involved, and thus the time expended, was carefully assigned in light of the experience and expertise required for a particular task.

24. The disbursements and expenses have been incurred in accordance with Akin Gump's normal practice of charging clients for expenses clearly related to and required by particular matters. Akin Gump has endeavored to minimize these expenses to the fullest extent possible.

25. Akin Gump's billing rates do not include charges for photocopying, telephone and telecopier toll charges, computerized research, travel expenses, "working meals," secretarial overtime, postage and certain other office services, since the needs of

each client for such services differ. Akin Gump believes that it is fairest to charge each client only for the services actually used in performing services for it. In these proceedings, Akin Gump charges \$.15 per page for internal duplicating and \$.25 per page for outgoing facsimile transmissions. Akin Gump does not charge for incoming facsimile transmissions.

26. No agreement or understanding exists between Akin Gump and any other person for the sharing of any compensation to be received for professional services rendered or to be rendered in connection with these cases.

27. No prior application has been made in this or in any other Court for the relief requested herein for the Compensation Period.

**WHEREFORE**, Akin Gump respectfully requests that this Court enter an order:

(a) awarding and approving the final allowance of \$116,857.90 for compensation for professional services rendered to the Committee during the period from December 13, 2000 through and including February 28, 2001;

(b) awarding and approving the final reimbursement of Akin Gump's out-of-pocket expenses incurred in connection with the rendering of such services during the period December 13, 2000 through and including February 28, 2001 in the amount of \$5,371.03; and

(c) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York  
May 28, 2002

**AKIN GUMP STRAUSS HAUER  
& FELD LLP**

By: 

Ira S. Dizengoff

A Member of the Firm

590 Madison Avenue

New York, New York 10022-2524

(212) 872-1000

Co-Counsel to the Official Committee of  
Unsecured Creditors of Lernout & Hauspie  
Speech Products N.V. and L&H Holdings USA,  
Inc.

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

<b>In re:</b>	)	
	)	
<b>LERNOUUT &amp; HAUSPIE</b>	)	<b>Case No. 00-4398 (JHW)</b>
<b>SPEECH PRODUCTS N. V., et al.,</b>	)	<b>Chapter 11</b>
	)	<b>(Jointly Administered)</b>
<b>Debtors.</b>	)	

**AFFIRMATION**

**IRA S. DIZENGOFF** respectfully states and affirms:

1. I am a member of the firm of Akin, Gump, Strauss, Hauer & Feld, L.L.P. (“Akin Gump”), which firm maintains offices for the practice of law at 590 Madison Avenue, New York, New York 10022. Akin Gump has acted as counsel to and has rendered professional services on behalf of the Official Committee of Unsecured Creditors (the “Committee”) of Lernout & Hauspie Speech Products, N. V. (“L&H”) and its affiliated debtors and debtors-in-possession (the “Debtors”), up to and including February 28, 2001, and from February 28, 2001, solely on behalf of the Official Committee of Unsecured Creditors of L&H and L&H Holdings USA, Inc. (“Holdings”, and collectively, with L&H, the “L&H Debtors”).

2. This affirmation is submitted pursuant to Bankruptcy Rule 2016(a) in support of Akin Gump’s application for a final allowance of compensation and for the reimbursement of expenses for services rendered to the estate of the Dictaphone Corporation during the period from December 13, 2000 through and including February 28, 2001 in the aggregate amount of \$122,228.93.

3. All services for which compensation is requested by Akin Gump were professional services performed for and on behalf of the Committee and not on behalf of any other person.

4. In accordance with Title 18 U.S.C. Section 155, neither I nor any member or associate of my firm has entered into any agreement, express or implied, with any other party-in-interest for the purpose of fixing the amount of any of the fees or other compensation to be allowed out of or paid from the Debtors' estates.

5. In accordance with Section 504 of the Bankruptcy Code, no agreement or understanding exists between me, my firm, or any member or associate thereof, on the one hand, and any other person, on the other hand, for division of such compensation as my firm may receive for services rendered in connection with these cases, nor will any division of fees prohibited by Section 504 of the Bankruptcy Code be made by me or any partner, counsel or associate of my firm.

  
\_\_\_\_\_  
IRA S. DIZENGOFF

Dated: New York, New York  
May 28, 2002



**CERTIFICATE OF SERVICE**

**I, Heidi E. Sasso, certify that I am not less than 18 years of age, and that service of the foregoing document was made on May 28, 2002 upon:**

**SEE ATTACHED SERVICE LIST**

Under penalty of perjury, I declare that the foregoing is true and correct.

5/28/02  
Date

Heidi E. Sasso  
Heidi E. Sasso

## **SERVICE LIST for LERNOU & HAUSPIE FEE APPLICATIONS**

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