

**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., <u>et al.</u>,</b>	)	
	)	<b>Chapter 11</b>
<b>Debtors.</b>	)	

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

Name of Applicant: Akin Gump Strauss Hauer & Feld LLP

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 April 2, 2004

Amount of Compensation sought as  
actual, reasonable, and necessary: \$3,904,630.39

Amount of Expense Reimbursement sought  
as actual, reasonable, and necessary: \$192,071.96

This is a final fee application.

Prior Fee Applications:

<b>Time Period</b>	<b>Fees</b>	<b>Expenses</b>	<b>Status</b>
12/13/00 – 12/31/00	\$85,663.35	\$1,370.36	Approved pursuant to Court Order.
01/01/01 – 01/31/01	\$255,394.00	\$10,159.39	Approved pursuant to Court Order.
02/01/01 – 02/28/01	\$262,358.25	\$19,358.85	Approved pursuant to Court Order.
03/01/01 – 03/31/01	\$238,717.75	\$15,588.38	Approved pursuant to Court Order.
04/01/01 – 04/30/01	\$230,592.25	\$17,614.84	Approved pursuant to Court Order.
05/01/01 – 05/31/01	\$208,782.00	\$3,367.78	Approved pursuant to Court Order.
06/01/01 – 06/30/01	\$159,363.50	\$27,541.36	Approved pursuant to Court Order.
07/01/01 – 07/31/01	\$170,683.25	\$15,002.45	Approved pursuant to Court Order.
08/01/01 – 08/31/01	\$133,669.25	\$19,296.97	Approved pursuant to Court Order.
09/01/01 – 09/30/01	\$145,203.00	\$5,726.50	Approved pursuant to Court.
10/01/01 – 10/31/01	\$199,926.25	\$3,626.21	Approved pursuant to Court order.
11/01/01 – 11/30/01	\$163,635.00	\$9,678.32	Approved pursuant to Court Order.
12/01/01 – 12/31/01	\$176,507.50	\$2,752.58	Approved pursuant to Court order.
01/01/02 – 04/30/02	\$347,483.00	\$15,367.93	Approved pursuant to Court Order.
05/01/02 – 08/31/02	\$201,592.00	\$5,596.07	Approved pursuant to Court order.
09/01/02 – 09/30/02	\$79,240.00	\$2,364.61	Approved pursuant to Court Order

<b>Time Period</b>	<b>Fees</b>	<b>Expenses</b>	<b>Status</b>
10/01/02 – 10/31/02	\$55,375.00	\$3,627.88	Approved pursuant to Court Order.
11/01/02 – 11/30/02	\$54,707.75	\$2,369.57	Approved pursuant to Court order.
12/01/02 – 12/31/02	\$43,979.00	\$3,914.50	Approved pursuant to Court order.
01/01/03 -01/31/03	\$49,509.50	\$1,660.87	Approved pursuant to Court order.
02/01/03 -02/28/03	\$54,470.00	\$3,561.62	Approved pursuant to Court order.
03/01/03 – 03/31/03	\$195,958.00	\$1,702.74	Approved pursuant to Court order.
04/01/03 – 04/30/03	\$114,265.00	\$13,811.86	Approved pursuant to Court order.
05/01/03 – 05/31/03	\$167,081.00	\$16,527.55	Approved pursuant to Court order.
06/01/03 – 06/30/03	\$138,839.00	\$7,579.01	Approved pursuant to Court order.
07/01/03 – 07/31/03	\$74,288.00	\$1,765.42	Approved pursuant to Court order.
08/01/03 – 08/31/03	\$35,814.00	\$3,581.34	Pending. Payment received pursuant to Administrative Fee Order.
09/01/03 – 11/30/03	\$11,411.50	\$9,099.78	Pending. Certificate of No Objection filed with the Court
12/01/03 – 01/31/04	\$29,336.50	\$1,161.44	Pending. Certificate of No objection filed with the Court.
02/01/04 – 04/02/04	\$30,379.00	\$229.16	Pending.

**ATTACHMENT B**  
**L&H SPEECH PRODUCTS N.V.**  
**AUGUST 1, 2003 THROUGH APRIL 2, 2004**

<b>Name of Professional Person</b>	<b>Position of the Applicant, Number of Years in that Position at Current or Prior Firms, Year of Obtaining License to Practice, Area of Expertise</b>	<b>Hourly Billing Rate</b>	<b>Total Billed Hours</b>	<b>Total Compensation<sup>1</sup></b>
Ira S. Dizengoff	Partner for 4 years; Admitted in 1993; Financial Restructuring Department	\$625	7.90	\$4,777.50
Kim Koopersmith	Partner for 12 years; Admitted in 1985; Litigation Department	\$550	16.00	\$8,800.00
Stephen B. Kuhn	Partner for 4 years; Admitted in 1991; Corporate Department	\$550	3.10	\$1,705.00
Stephen Older	Partner for 8 years; Admitted in 1989; Corporate Department	\$550	5.00	\$2,750.00
Joshua Bloomstein	Counsel for 1 year; Admitted in 1999; Corporate Department	\$380	10.50	\$3,990.00
James R. Savin	Counsel for 2 years; Admitted in 1998; Financial Restructuring Department	\$475	52.70	\$23,902.00
Patrick C. Schmitter	Counsel for 2 years; Admitted in 1998; Litigation Department	\$440	62.60	\$24,604.00
Colin M. Adams	Associate for 4 years; Admitted in 2004; Financial restructuring Department	\$375	67.10	\$24,785.50
Nathaniel P. T. Reid	Associate for 3 years; Admitted in 2001; Litigation Department	\$300	7.20	\$2,160.00
Monica I. Sapone	Associate for 4 years; Admitted in 2000; ERISA Department	\$325	3.50	\$1,137.50
Frank Grese	Legal Assistant for 2 years; Financial Restructuring Department	\$155	13.40	\$2,055.50

<sup>1</sup> During the Compensation Period, Akin Gump increased its hourly billing rates. The amount in this column reflects the hourly billing rate in effect at the time the services were rendered.

Name of Professional Person	Position of the Applicant, Number of Years in that Position at Current or Prior Firms, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate	Total Billed Hours	Total Compensation <sup>1</sup>
Peter J. Sprofera	Legal Assistant for 28 years; Financial Restructuring Department	\$180	35.50	\$6,274.00

Total Amount of Fees:           \$106,941.00  
 Total Number of Hours:           284.50  
 Blended Hourly Rate:           \$375.23

**LERNOUT & HAUSPIE SPEECH PRODUCTS, N.V.**  
**COMPENSATION BY PROJECT CATEGORY**  
**FOR THE PERIOD**  
**AUGUST 1, 2003 THROUGH APRIL 2, 2004**

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
General Case Administration	9.70	\$2,382.00
Fee Applications/Monthly Billing Reports	36.20	\$6,536.50
Review of Other Professionals Fee Applications	0.30	\$105.00
Creditor Committee Meetings	2.60	\$1,232.50
Court Hearings	10.40	\$3,734.50
Claims Analysis/Claims Objections	12.50	\$4,920.00
Adversary Proceedings	25.20	\$11,142.50
Plan and Disclosure Statement	28.80	\$11,276.00
Asset Sales/Business Liquidations	0.60	\$330.00
Confirmation Appeal	158.20	\$65,282.00
<b>TOTAL</b>	<b>284.50</b>	<b>\$106,941.00</b>

**LERNOUT & HAUSPIE SPEECH PRODUCTS N.V.**  
**DISBURSEMENT SCHEDULE**  
**AUGUST 1, 2003 THROUGH APRIL 2, 2004**

OVERNIGHT COURIER/POSTAGE	\$86.97
LONG DISTANCE TELEPHONE & CONFERENCE CALLS	\$660.77
DUPLICATING COSTS/THIRD PARTY DUPLICATING COSTS	\$1,232.70
FACSIMILE	\$16.00
MEALS	\$175.67
TRAVEL EXPENSES	\$2,196.18
COMPUTERIZED RESEARCH/OUTSIDE RESEARCH CHARGES	\$8,596.09
<b>TOTAL:</b>	<b>\$12,964.38</b>

**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.</b>	)	<b>Case No. 00-4398 (JHW)</b>
	)	
<b>Debtor.</b>	)	<b>Chapter 11</b>

**APPLICATION OF AKIN GUMP STRAUSS HAUER & FELD LLP,  
CO-COUNSEL FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
OF LERNOUT & HAUSPIE SPEECH PRODUCTS N.V. FOR A FINAL AWARD AND  
ALLOWANCE OF COMPENSATION AND FOR THE REIMBURSEMENT OF  
EXPENSES FOR SERVICES RENDERED DURING  
THE PERIOD DECEMBER 13, 2000 THROUGH APRIL 2, 2004**

**TO: THE HONORABLE JUDITH H. WIZMUR,  
UNITED STATES BANKRUPTCY 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, and counsel solely to 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”), from February 28, 2001 until September 23, 2002 and counsel solely to the Official Committee of Unsecured Creditors of L&H (the “L&H Committee”) since September 24, 2002 for its application pursuant to 11 U.S.C. § 330 for a final award and allowance of compensation for services rendered and for reimbursement of expenses incurred in connection therewith, respectfully represents:



## PRELIMINARY STATEMENT

1. Since the beginning of this case, Akin Gump has worked, together with the Committee's members and other professionals, to maximize value and ultimate distributions to unsecured creditors. These efforts culminated in the Committee proposing the Plan (as defined below) which was confirmed by order of this Court on May 30, 2003 (the "Confirmation Order"). The Plan (and the events leading up to the filing, confirmation and eventual consummation of the Plan) was the result of the analysis of complex and novel legal and factual matters and the product of tremendous effort on the part of the Committee's professionals. The Plan provides for the liquidation and subsequent distribution of L&H's non-Belgian assets to creditors in accordance with the Bankruptcy Code's priority scheme. Generally, the Plan divides L&H's remaining assets based on an allocation between the Chapter 11 Case and the Belgian Case (as defined in the Plan). Despite the size and diversity of the Debtor's creditor constituency, as a result of the work of the Committee's members and professionals, the Plan enjoyed almost universal support of creditors.<sup>1</sup> Moreover, after this Court's entry of the Confirmation Order, the Committee's professionals continued to work tirelessly to successfully defend the terms of the Plan on appeal. Any analysis of this Application must be viewed against this backdrop.

2. By this application, Akin Gump seeks (i) final allowance and award of fees and expenses in the aggregate amount of \$3,976,796.97 for the period December 2, 2000 through July 31, 2003, which compensation was previously awarded to Akin Gump on an interim basis pursuant to prior orders of this Court; and (ii) final allowance and award of fees and expenses in

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<sup>1</sup> Approximately 99% in number and dollar amount of those claimants voting in Class 3 (General Unsecured Claims) voted to approve the Plan.

the aggregate amount of \$119,905.38 for the period August 1, 2003 through April 2, 2004 (the Final Compensation Period), which compensation has not yet been awarded by this Court.

3. Pursuant to the Second Amended Administrative Order, Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the “Second Amended Compensation Order”), the fees and expenses requested in this Application represent 40% of the fees and expenses incurred by Akin Gump during the period December 13, 2000 through February 28, 2001. For the period March 1, 2001 through September 23, 2002, Akin Gump attempted to allocate its services to the separate Holdings and L&H estates. When Akin Gump was unable to specifically allocate the services it provided, because both L&H Debtors’ estates benefited, Akin Gump allocated the fees and expenses equally between the two estates. All the services rendered by Akin Gump to this Committee since September 24, 2002 have been rendered with respect to the L&H Chapter 11 case.

4. On November 9, 2001, this Court entered an order awarding Akin Gump allowance of compensation for work on behalf of the Committee 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 “November 2001 Fee Order”).

5. On March 1, 2002, this Court entered an order awarding Akin Gump allowance of compensation for work on behalf of the Committee in the amount of \$742,878.00 and reimbursement of expenses in the amount of \$54,189.02 for services rendered during the period April 1, 2001 through July 31, 2001 (the “March 2002 Fee Order”).

6. On September 11, 2002, this Court entered an order awarding Akin Gump allowance of compensation for work on behalf of the Committee in the amount of \$632,920.25

and reimbursement of expenses in the amount of \$23,656.47 for services rendered during the period August 1, 2001 through November 30, 2001 (the “September 2002 Fee Order”).

7. On December 20, 2002, this Court entered an order awarding Akin Gump allowance of compensation for work on behalf of the Committee in the amount of \$714,556.50 and reimbursement of expenses in the amount of \$18,172.37 for services rendered during the period December 1, 2001 through August 31, 2002 (the “December 2002 Fee Order”).

8. On June 9, 2003, this Court entered an order awarding Akin Gump allowance of compensation for work on behalf of the Committee in the amount of \$179,322.75 and reimbursement of expenses in the amount of \$6,946.76 for services rendered during the period September 1, 2002 through November 30, 2002 (the “June 2003 Fee Order”).

9. On February 5, 2004, this Court entered an order awarding Akin Gump allowance of compensation for work on behalf of the Committee in the amount of \$712,380.00 and reimbursement of expenses in the amount of \$35,043.33 for services rendered during the period December 1, 2002 through July 31, 2003 (the “February 2004 Fee Order”).

10. Venue of this proceeding and this Application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicate for the relief sought herein is Section 330 of the Bankruptcy Code.

### **BACKGROUND**

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

12. This Court has jurisdiction over the Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core

proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought herein are 11 U.S.C. § 330 and Federal Rules of Bankruptcy Procedure 2002(a) and 2016.

13. On March 11, 2003, the L&H Creditors' Committee filed the Official Committee Of Unsecured Creditors' Plan of Liquidation For Lernout & Hauspie Speech Products N.V. Under Chapter 11 Of Bankruptcy Code (the "Plan"). On May 30, 2003, the Bankruptcy Court entered the Findings Of Fact And Conclusions Of Law Relating To Order Under 11 U.S.C. § 1129 Of Bankruptcy Code Confirming Official Committee Of Unsecured Creditors' Plan Of Liquidation For Lernout & Hauspie Speech Products N.V. Under Chapter 11 Of Bankruptcy Code. The effectiveness of the Confirmation Order was stayed pending an appeal of the same by Stonington Partners, Inc., Stonington Capital Appreciation 1994 Fund L.P., And Stonington Holdings, L.L.C. (collectively, "Stonington"). The United States District Court for the District of Delaware affirmed the Confirmation Order by opinion dated March 26, 2004. The Plan became effective on April 2, 2004.

14. Akin Gump respectfully submits that the services rendered on behalf of the Committee were necessary, and directly benefited unsecured creditors, including as a result of the consummation of the Plan.

A. Formation of the Committee

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

16. On December 18, 2000, Merrill resigned from the Joint Committee.

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

17. On February 28, 2001, the United States Trustee formed a separate committee of unsecured creditors of Dictaphone Corporation (the “Dictaphone Committee”) and reformed the Joint Committee as the L&H Committee. The Dictaphone Committee consisted of Merrill, Deutsche Bank, State Street, Dresdner Bank, JVC, Conseco Capital Management, Inc.) and Magten Asset Management Corp.

18. The L&H Committee currently consists of Artesia Banking Corporation, KBC, Fortis, U.S. Trust (now by virtue of a sale of the corporate trust business, The Bank of New York), Wilmington Trust and Studio Tognini.

19. Except as authorized pursuant to the administrative fee orders and other orders entered by this Court, 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 this case.

C. Akin Gump’s Interim Fee Applications

20. Pursuant to the original 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 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; (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”); (iv) Fourth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period March 1, 2001 through March 31, 2001 in the amounts of \$238,717.75 for fees and \$15,588.31 for expenses (the “Fourth Interim Fee Application”); (v) Fifth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period April 1, 2001 through April 30, 2001 in the amounts of \$230,592.25 for fees and \$17,614.84 for expenses (the “Fifth Interim Fee Application”); (vi) Sixth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period May 1, 2001 through May 31, 2001 in the amounts of \$208,782.00 for fees and \$3,367.78 for expenses (the “Sixth Interim Fee Application”); (vii) Seventh Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period June 1, 2001 through June 30, 2001 in the amounts of \$159,363.50 for fees and \$27,541.36 for expenses (the “Seventh Interim Fee Application”); (viii) Eighth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for the Period July 1, 2001 through July 31, 2001 in the amounts of \$170,683.25 for fees and \$15,002.45 for expenses (the “Eighth Interim Fee Application”); (ix) Ninth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period August 1, 2001 through August 31, 2001 in the amounts of \$133,669.25 for fees and \$19,296.97 for expenses (the “Ninth Interim Fee Application”); (x) Tenth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period September 1, 2001 through

September 30, 2001 in the amounts of \$145,203.00 for fees and \$5,726.50 for expenses (the “Tenth Interim Fee Application”); (xi) Eleventh Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period October 1, 2001 through October 31, 2001 in the amounts of \$199,926.25 for fees and \$3,626.21 for expenses (the “Eleventh Interim Fee Application”); (xii) Twelfth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period November 1, 2001 through November 30, 2001 in the amounts of \$163,635.50 for fees and \$2,752.58 for expenses (the “Twelfth Interim Fee Application”); (xiii) Thirteenth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period December 1, 2001 through December 31, 2001 in the amounts of \$176,507.50 for fees and \$2,752.58 for expenses (the “Thirteenth Interim Fee Application”); (xiv) Fourteenth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services rendered during the Period of January 1, 2002 through April 30, 2002 in the amounts of \$247,483.00 for fees and \$15,367.93 for expenses (the “Fourteenth Interim fee Application”); (xv) Fifteenth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period May 1, 2002 through August 31, 2002 in the amounts of \$201,597.00 for fees and \$5,596.07 for expenses (the “Fifteenth Interim Fee Application”); (xvi) Sixteenth Application for Interim Allowance of Compensation and Reimbursement of Expenses for Services Rendered during the Period September 1, 2002 through September 30, 2002 in the amounts of \$79,240.00 for fees and \$2,364.61 for expenses (the “Sixteenth Interim Fee Application”); (xvii) Seventeenth Application for Allowance of Interim Compensation and Reimbursement of Expenses for Services Rendered during the Period October 1, 2002 through October 31, 2002 in the amount of \$55,375.00 for

fees and \$3,627.88 for expenses (the “Seventeenth Interim Fee Application”); (xviii) Eighteenth Application for Allowance of Interim Compensation and Reimbursement of Expenses for Services Rendered during the Period November 1, 2002 through November 30, 2002 in the amounts of \$54,707.75 for fees and \$2,369.57 for expenses (the “Eighteenth Interim Fee Application”); (xix) Nineteenth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period December 1, 2002 through December 31, 2002 in the amounts of \$43,979.50 for fees and \$3,914.05 for expenses (the “Nineteenth Interim Fee Application”); (xx) Twentieth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for the Period January 1, 2003 through January 31, 2003 in the amounts of \$49,504.50 for fees and \$1,660.87 for expenses (the “Twentieth Interim Fee Application”); (xxi) Twenty-First Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period February 1, 2003 through February 28, 2003 in the amounts \$54,470.00 for fees and \$3,561.62 for expenses (the “Twenty-First Interim Fee Application”); (xxii) Twenty-Second Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period March 1, 2003 through March 31, 2003 in the amounts of \$195,958.00 for fees and \$1,702.74 for expenses (the “Twenty-Second Interim Fee Application”); (xxiii) Twenty-Third Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period April 1, 2003 through April 30, 2003 in the amounts of \$114,265.50 for fees and \$3,811.86 for expenses (the “Twenty-Third Interim Fee Application”); (xiv) Twenty-Fourth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period May 1, 2003 through May 31, 2003 in the amounts of \$167,081.00 for fees and \$16,527.55 for



expenses (the “Twenty-Fourth Interim Fee Application”); (xxv) Twenty-Fifth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period June 1, 2003 through June 30, 2003 in the amounts of \$38,839.00 for fees and \$7,579.01 for expenses (the “Twenty-Fifth Interim Fee Application”); (xxvi) Twenty-Sixth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period July 1, 2003 through July 31, 2003 in the amounts of \$74,287.00 for fees and \$1,765.42 for expenses (the “Twenty-Seventh Interim Fee Application”); (xxvii) Twenty-Seventh Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period August 1, 2003 through August 31, 2003 in the amounts of \$35,814.00 for fees and \$3,581.34 for expenses (the “Twenty-Seventh Interim Fee Application”); (xxviii) Twenty-Eighth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period September 1, 2003 through November 30, 2003 in the amounts of \$11,411.50 for fees and \$9,099.78 for expenses (the “Twenty-Eighth Interim Fee Application”); and (xxix) Twenty-Ninth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period December 1, 2003 through January 31, 2004 in the amounts of \$29,336.50 for fees and \$1,161.44 for expenses (the “Twenty-Ninth Interim Fee Application”); and (xxx) Thirtieth Application for Interim Allowance of Compensation and for Reimbursement of Expenses for Services Rendered during the Period February 1, 2004 through April 2, 2004 in the amounts of \$30,379.00 for fees and \$229.16 for expenses (the “Thirtieth Interim Fee Application”).

21. As stated in the Affirmation of Ira S. Dizengoff, Esq., annexed hereto as Exhibit “A,” all of the services for which final allowance and award of compensation is sought herein were rendered for or on behalf of the Committee solely in connection with this case.

**SUMMARY OF SERVICES RENDERED**

22. Since December 13, 2000, 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.

23. The services rendered by Akin Gump for the period December 13, 2000 through April 2, 2004 are described in the thirty interim fee applications, which are on file with this Court and are incorporated herein by reference. From December 13, 2000 until February 28, 2001, Akin Gump allocated its fees between the estates of Holdings (40%), L&H (40%) and Dictaphone (20%) in accordance with the Second Amended Compensation Order. After February 28, 2001, when the United States Trustee formed the Dictaphone Committee, Akin Gump made a good faith effort to allocate its fees to the particular L&H Debtor’s estate benefited by such services or, if such services related to both estates, allocated its fees equally between Holdings and L&H. Since September 24, 2002, all of the services rendered by Akin Gump have been rendered with respect to the L&H Chapter 11 case.

24. Akin Gump maintains written records of the time expended by attorneys and paraprofessionals in the rendition of their professional services to the L&H Committee. Such time records were made contemporaneously with the rendition of services by the person

rendering such services and in the ordinary course of Akin Gump's practice, and are presented in a form which is in compliance with the Local Rules for the District of Delaware. A compilation showing the name of the attorney or paraprofessional, the date on which the services were performed, a description of the services rendered, and the amount of time spent in performing the services during the Final Compensation Period is annexed hereto as Exhibit "B".

25. Akin Gump also maintains records of all actual and necessary out-of-pocket expenses incurred in connection with the rendition of its professional services, all of which are also available for inspection. A schedule of the categories of expenses and amounts for which reimbursement is requested in connection with services rendered during the Final Compensation Period is annexed hereto as Exhibit "C".

26. 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 this case. The Court has held hearings and entered orders awarding Akin Gump fees and expenses with respect to Akin Gump interim fee applications for the period December 12, 2000 through July 31, 2003 (the "Prior Fee/Awarded Application"). The Prior Fee/Awarded Applications are hereby incorporated by reference herein. In addition, Akin Gump has prepared and filed interim fee applications with respect to services rendered during the Final Compensation Period (the "Interim Fee Applications"). The Interim Fee Applications are also incorporated by reference herein.

27. The following summary of services rendered during the Final Compensation Period is not intended to be a detailed description of the work performed, as those day-to-day services and the time expended in performing such services are fully set forth in Exhibit "B". Rather, it is merely an attempt to highlight certain of those areas in which services were rendered

to the L&H Committee, as well as to identify some of the problems and issues that Akin Gump was required to address.

(i) Case Administration

28. A portion of the services rendered during the Final Compensation Period related to the administrative needs of the L&H Committee and matters related thereto. Akin Gump's attention to the L&H Committee's administrative needs during the Compensation Period enabled the L&H Committee to continue to function as a coordinated group and to acquit its fiduciary duties.

29. Akin Gump reviewed and analyzed all relevant matters requiring Committee attention, including without limitation all motions filed by the Debtor and other parties in interest in this Court and miscellaneous administrative matters. Akin Gump kept the L&H Committee members advised of all material developments during the Compensation Period.

30. Due to Akin Gump's experience in counseling creditors' committees, Akin Gump believes it was able to efficiently address all issues relating to case administration that have arisen during the pendency of this case. At the request of the L&H Committee, Akin Gump assisted in or took the lead in analyzing all motions presented by the Debtor and third parties and advised the L&H Committee on its own initiatives and directions for the case. In addition, Akin Gump coordinated all L&H Committee activities.

(ii) Avoidance Actions

31. During the Final Compensation Period, Akin Gump analyzed issues relating to the prosecution of avoidance actions belonging to the estate. Akin Gump had conferences with Debtor's counsel and the Plan Administrator (as defined in the Plan) regarding these matters.

(iii) Claims Analysis/Claims Objection

32. During the Final Compensation Period, Akin Gump analyzed issues relating to the prosecution of the Debtor's objections to proofs of claim filed against the Debtor's estate, and certain settlements related thereto. Akin Gump had conferences with Debtor's counsel and the Plan Administrator regarding these matters.

(iv) The Stonington Appeal

33. On June 10, 2003, Stonington filed a notice with this Court indicating its intent to appeal the findings of fact and conclusions of law in the Confirmation Order to the District Court (the "District Court Appeal"). On July 28, 2003, Stonington filed the Appellant's Opening Brief on Appeal with the District Court, which, among other things, argued that this Court erred in (a) finding that the Plan satisfied section 1129(a)(3), and (b) confirming the Plan, because the Court failed to (i) follow the Third Circuit's mandate to conduct a choice of law analysis to resolve perceived conflicts between United States and Belgian law regarding the mandatory subordination of Stonington's claims, (ii) conduct a comity analysis, and (iii) coordinate the United States and Belgian proceedings. Akin Gump attorneys from the Financial Restructuring and Litigation Departments worked to analyze, evaluate and respond to the novel legal issues described above, in order to ensure that unsecured creditors received distributions in accordance with the plan of liquidation that they had overwhelmingly vowed to accept. Akin Gump's efforts on the Committee's behalf resulted in the Appellee's Answering Brief On Appeal, filed by the Committee on August 22, 2003. On March 26, 2004, the District Court entered an order affirming the Confirmation Order.

## **FACTORS TO BE CONSIDERED IN AWARDING ATTORNEYS' FEES**

34. 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 has contributed to the maximization of distributions to the Debtor'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 did not preclude its acceptance of new clients.

(E) The Customary Fee. The fee sought herein is based upon Akin Gump's standard national 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 this case 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 this case 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 this Chapter 11 case, and its constructive assistance, as well as criticism, greatly contributed to enhancement of the recoveries available to the Debtor's creditors and to the efficient administration of this case. Moreover, the plan of liquidation which was confirmed and consummated was proposed and prosecuted by the Committee with the assistance of Akin Gump.

(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 this case.

(J) The "Undesirability" of the Case. This case was 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 of Akin Gump as of December 13, 2000.

#### **ALLOWANCE OF COMPENSATION**

35. 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. 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 Debtor's estate.

36. 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.

37. The total time spent by Akin Gump attorneys and paraprofessionals during the Final Compensation Period was 284.50 hours. The work involved, and thus the time expended, was carefully assigned in light of the experience and expertise required for a particular task.