

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

**In Re:
LERNOUT & HAUSPIE, SPEECH
PRODUCTS N.V., et al.,**

**Chapter 11
Case Nos. 00-4398 (JHW)
(Jointly Administered)**

Debtors.

**FINAL APPLICATION OF BDO SEIDMAN, LLP
FOR COMPENSATION SERVICES RENDERED AND REIMBURSEMENT
OF EXPENSES AS ACCOUNTANT TO CREDITORS' COMMITTEE
FOR THE PERIOD DECEMBER 26, 2000 THROUGH FEBRUARY 28, 2001**

Name of Applicant: BDO Seidman, LLP

Authorized To Provide
Professional Services to: Creditors Committee

Date of Retention: Order Signed February 13, 2001
Effective December 26, 2000

Period for which Compensation
and Reimbursement is Sought: December 26, 2000 to February 28, 2001

Amount of Compensation Sought
as actual, reasonable and necessary: * \$ 142,806.95

Amount of Expense Reimbursement sought
as actual, reasonable and necessary: * \$ 3,780.70

This is a final application

- * Pursuant to Second Amended Administrative Order, relating to allocation of fees and expenses to Dictaphone Corporation, this amount reflects 40% of the court reduced fees and expenses, respectively, incurred by BDO Seidman, LLP during the application period (Fees \$357,017.38 @ 40% and expenses \$9,451.73 @ 40%).

**ATTACHMENT B
TO FEE APPLICATION**

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	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
Grand Total:		See Schedule A		
Blended Rate:		\$242.62		

COMPENSATION BY PROJECT CATEGORY

Project Category (Examples)	Total Hours	Total Fees
Asset Analysis and Recovery	252.0	61,638.00
Asset Disposition		
Business Operations	473.8	120,612.50
Case Administration	32.0	7,214.00
Claims Administration and Objections		
Employee Benefits/Pensions		
Fee/Employment Applications	32.7	5,534.50
Fee/Employment Objections		
Financing		
Litigation		
Plan and Disclosure Statement		
Relief from Stay Proceedings		
Creditors' Committee meeting & conference call	96.2	37,496.00
Valuation		
Other (Explain) Reports	640.5	136,174.00
SUB-TOTAL	1,527.2	\$368,669.00
Court Reduction		(11,626.62)
Misc. Adjustment		(25.00)
TOTAL	1,527.2	\$357,017.38

EXPENSE SUMMARY

Expense Category (Examples)	Service Provider (if applicable)	Total Expenses
Computer Assisted Legal Research		
Facsimile (with rates)		
Long Distance Telephone		570.47
In-House Reproduction		360.00
Outside Reproduction		
Outside Research		
Filing/Court Fees		
Court Reporting		
Local Travel		182.13
Out-of-Town Travel		9,149.95
Courier & Express Carriers (e.g. Federal Express)		311.34
Postage		
Other (Explain) Late Night Dinners		
SUB-TOTAL		\$10,573.89
Court Reduction		(1,122.16)
TOTAL		\$9,451.73

BDO SEIDMAN, LLP
 JACK WEISBAUM
 JERRY D'AMATO
 WILLIAM K. LENHART
 DAVID BERLINER
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 New York, New York 10017
 Telephone Number: (212) 885-8000
 Facsimile Number: (212) 697-1299

Accountants for the Creditors' Committee

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF DELAWARE**

In re	)	Case No.	00-4398(JHW)
	)		(Jointly Administered)
LERNOUT & HAUSPIE,)		
SPEECH PRODUCTS N.V., et al.,)		
	)	Chapter 11	
)		
)		
)		
	)	DECLARATION OF WILLIAM K.	
	)	LENHART IN SUPPORT OF FINAL	
	)	APPLICATION OF BDO SEIDMAN, LLP,	
	)	FOR COMPENSATION AND	
Debtor.	)	REIMBURSEMENT OF EXPENSES AS	
	)	ACCOUNTANTS FOR THE CREDITORS'	
	)	COMMITTEE FOR THE PERIOD	
	)	DECEMBER 26, 2000 TO FEBRUARY	
	)	28, 2001	
)		
<u>STATE OF NEW YORK</u>	}		
	}	SS:	
COUNTY OF NEW YORK	}		

I, WILLIAM K. LENHART declare as follows:

I am a partner in the Financial Recovery Services practice of BDO Seidman, LLP ("BDO"). I am authorized to make this declaration in that capacity and, if called upon to do so, I could and would testify of my own personal knowledge to the facts set forth herein.

STATE OF NEW YORK }
 }SS:
COUNTY OF NEW YORK }

WILLIAM K. LENHART, being duly sworn, deposes and says that:

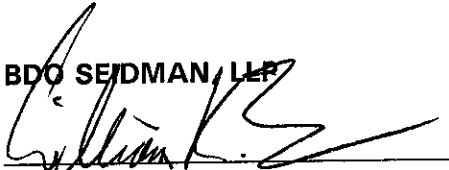
1. I am a partner in the firm of BDO Seidman, LLP, Applicant herein.
2. I have read the application.
3. To the best of my knowledge, information and belief formed after reasonable inquiry, the application complies with the **Local Guidelines**, as amended and the United States Trustees Guidelines issued March 22, 1995, by the U.S. Department of Justice, as amended.
4. All interested parties have been provided, no later than 20 days after the end of each month, with a statement of fees and expenses incurred during such month.
5. All interested parties have received and are reviewing or have reviewed the application.
6. In providing a reimbursable service, applicant does not make a profit on that service.
7. In charging for a particular service, applicant does not include the amortization of the cost of any investment equipment or capital outlay.
8. In seeking reimbursement for third party services, applicant requests reimbursement only for the amount billed to the applicant by the third party.
9. Word processing services are not a part of BDO's overhead and, therefore, charges for such services are included as part of the applicant's expenses, where applicable.
10. To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Amended Guidelines and the UST Guidelines, except as specifically noted in the certification and described in the fee application and except to the extent that fees or disbursements sought are prohibited by the Amended Guidelines or the UST Guidelines, the fees and disbursements sought are billed at rates and in accordance with practices customarily employed by BDO and generally accepted by BDO's clients.

11. This declaration is submitted in support of the Application for BDO For Approval of Final Compensation and Reimbursement of Expenses as Accountants for the Creditors of Dictaphone Corporation (the "Application") for the period DECEMBER 26, 2000 to FEBRUARY 28, 2001 (the "Application Period").
12. A summary of the fees and expenses incurred by BDO in this Chapter 11 case, during the Application Period as well as copies of the records maintained in the ordinary course of business by BDO are provided in Exhibits A and B attached to the Application.
13. The following is a summary of the total fees and expenses incurred by BDO during this application period:

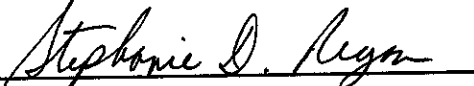
Fees and Expenses Sought by this Application
(DECEMBER 26, 2000 through FEBRUARY 28, 2001)

FEES	\$357,017.38
EXPENSES	<u>9,451.73</u>
TOTAL	<u>\$366,469.11</u>

14. At November 26, 2002 BDO has received from, or on behalf, of the Debtor \$1,006,046.29 for reimbursement of fees and expenses in this Chapter 11 case. None of the compensation paid to BDO, from or on behalf of the Debtor, has been divided or shared with any other person other than the members, associates and employees of BDO. I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed at New York, New York on December 5, 2002.

BDO SEIDMAN LLP

 WILLIAM K. LENHART

Sworn and subscribed to before
me this 5TH day of December, 2002


 NOTARY PUBLIC

STEPHANIE D. REGAN
 Notary Public, State of New York
 No. 43-4704738
 Qualified in Richmond County
 Commission Expires Sept. 30, 2005

BDO SEIDMAN, LLP
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WILLIAM K. LENHART
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Accountants for the Creditors' Committee

UNITED STATES BANKRUPTCY COURT

DISTRICT OF DELAWARE

In re	)	Case No.	00-4398(JHW)
	)		(Jointly Administered)
LERNOUT & HAUSPIE,)		
SPEECH PRODUCTS N.V., et al.,	)	Chapter 11	
)		
	)	Date:	December 20, 2002
	)	Time:	10:00 a.m.
)		
	)		APPLICATION OF BDO SEIDMAN, LLP
	)		FOR APPROVAL OF FINAL
	)		COMPENSATION AND
	)		REIMBURSEMENT OF EXPENSES AS
Debtor.	)		ACCOUNTANTS FOR THE CREDITORS'
	)		COMMITTEE FOR THE PERIOD
	)		DECEMBER 26, 2000 THROUGH
	)		FEBRUARY 28, 2001
)		
)		
)		

STATE OF NEW YORK }
)SS:
 COUNTY OF NEW YORK }

TO THE HONORABLE JUDITH H. WIZMUR, UNITED STATES BANKRUPTCY JUDGE;
 TO THE DEBTOR AND CREDITORS' COMMITTEE CHAIRPERSON AND THEIR
 COUNSELS OF RECORD, THE OFFICE OF THE UNITED STATES TRUSTEE AND OTHER
 PARTIES IN INTEREST:

The independent public accounting firm of BDO Seidman, LLP ("BDO") hereby submits its Final Application for Approval of Final Compensation and Reimbursement of Expenses as Accountants for the Creditors' Committee of Dictaphone Corporation for the period DECEMBER 26, 2000 through FEBRUARY 28, 2001 ("Final Application for Compensation"). BDO respectfully represents:

I.

INTRODUCTORY STATEMENT

1. BDO's Financial Recovery Services Group ("FRS") is a national team of responsive professionals, experienced in all aspects of loan workouts, restructuring and bankruptcy. FRS has extensive experience representing trustees, debtors and virtually all classes of creditors and equity holders in both out-of-court and in-court workouts and restructuring. FRS has developed the methodologies, resources and expertise required for operational and financial restructuring, due diligence and financial analysis, pre-and post-bankruptcy planning and case administration, settlement and portfolio valuations, and investigative accounting.

2. The Debtor filed their Voluntary Chapter 11 under Title 11 of the United States Code and an order for relief under Chapter 11 was entered simultaneously.

3. By application, the Creditors sought authority to retain BDO as accounting consultants to render services specified in the Application For Order Approving Employment of Accountants (the "Employment Application"). On February 13, 2001, an order, effective as of December 26, 2000 was duly signed and entered by the Honorable JUDITH H. WIZMUR, United States Bankruptcy Judge, authorizing the retention of BDO.

4. Detailed statements itemizing services rendered and expenses incurred by BDO are attached as Exhibits A and B, to this application.

5. This is BDO's Final Application for Compensation for professional services rendered and for reimbursement of actual and necessary costs and expenses incurred

on behalf of the Creditors' Committee of Dictaphone Corporation in the administration of the estate of the Debtor's. BDO makes this Application pursuant to the provisions of 11 U.S.C. sections 327 through 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure, and this Court's Guidelines Pertaining To Requests For Compensation and Expense By Professionals.

II

SUMMARY OF SERVICES RENDERED

6. By this Application for Final Compensation, BDO seeks approval and payment for (a) compensation for services rendered from DECEMBER 26, 2000 through FEBRUARY 28, 2001 and (b) reimbursement for certain expenses incurred during the same period. This is the Final Application for compensation filed by BDO.

7. In rendering the services for which compensation is sought, partners, senior managers, managers, seniors and staff of BDO spent 1568 hours from DECEMBER 26, 2000 through FEBRUARY 28, 2001. The time charges for such services, computed at BDO's standard hourly rates are \$368,669.00. In addition, BDO incurred ordinary and necessary expense in connection with the case of \$10,573.89. These fees and expenses represent total costs incurred during this period of \$379,242.89. Exhibit A annexed hereto contains, in full and complete detail, a description of the services rendered by each partner, senior manager, manager, senior and staff on a daily basis. A detailed statement of expenses is attached as Exhibit B.

8. BDO customarily bills their professionals at rates commensurate with the experience of the person performing such services. The billing rates are the same for bankruptcy engagements as well as all other accounting work performed by BDO. A list of the guideline hourly rate included in BDO's Employment Application is as follows:

Partners	\$330 - 600
Senior Managers	\$215 - 480
Managers	\$195 - 330
Seniors	\$140 - 245
Staff	\$ 85 - 185

9. The compensation BDO seeks is reasonable and is for actual and necessary services rendered by BDO. All of the services performed by BDO have been beneficial to the parties to these proceedings and have enabled the case to proceed.

10. The size and complexity of the Debtor's case involves numerous and complex issues of accounting and require substantial broad-based accounting expertise to resolve the issues. As a consequence, the demands of this case have been such that BDO's highly skilled insolvency professionals have devoted time and effort to perform properly and expeditiously the required accounting.

11. During the period from DECEMBER 26, 2000 through FEBRUARY 28, 2001, BDO provided services of a general nature to the Creditors, as set forth below:

	HOURS WORKED	AMOUNT
A. ACCOUNTS RECEIVABLE		
Aged schedules of accounts receivable were reviewed, prepared summaries by company and separate schedules of ten largest accounts receivable by company and updated to reflect most current activity.	36.1	\$ 4,616.50

	HOURS	
	WORKED	AMOUNT
B. ACCOUNTS PAYABLE		
Accounts payable summary schedules were prepared.	8.1	850.50
C. INCOME AND EXPENSES ANALYSIS		
Sales were analyzed, historically. In addition, a list of officers and key executives was prepared and their compensation was reviewed.	24.8	3,271.50
D. MEETINGS - DEBTOR		
Meetings, discussions and correspondence with Debtor management, key personnel and professionals related to ongoing requests for financial information, history of the business and its current operations.	135.9	33,642.00
E. FINANCIAL STATEMENT		
Preparation and review of preliminary report to the Creditors' Committee inclusive of accountants letter dated February 12, 2001, corporate organization, corporate history, financial information: historical operating results and revenue trends, current information: revenue forecasts and cash flow forecast, Bryan Cave LLP report, items requested and pending, exhibits: A – schedule of entities,		

	HOURS	
	WORKED	AMOUNT
B – organization charts, C – acquisitions and mergers (1997 – 2000), D – detailed cash flow forecast.		
In additional, on February 23, 2001, we prepared a confidential analysis of the debtors proposed key employee retention plan which included detail of cost by employee by tier with business line (without expected salary adjustments), detail of cost by employee included in technology retention program, detail of employees in tiers I to IV: 3 years total compensation, summary of retention list by business line, PWC prepared summary of KERP plan and costs, summary of Dictaphone highly compensated for 11/99 to 11/00, summary of Dragon highly compensated for 11/99, comparison of debtors proposed plan with other companies: retention (stay) bonus, severance plan and annual incentive program.		
Preparation and review of weekly flash reports to the Creditors’ Committee inclusive of analysis of projections; comparison of actual results – cash position, receipts, disbursements and a recap of funds transferred from and to the companies included in the consolidated flash report. In additional we began to prepare an analysis of the Debtors Statements of Financial Affairs and Statements of Assets and Liabilities.	640.5	136,174.00

	HOURS WORKED	AMOUNT
F. MEETINGS OF CREDITORS / TRUSTEE		
Preparation for and attendance at Creditors' Committee meetings and participation on conference calls, where the financial condition of the Debtor was reviewed.	96.2	37,496.00
G. BUSINESS ANALYSIS		
Analyzed Debtor cash flows, projections, D.I.P. Operating Reports, historical versus projected revenues of consolidated L&H, cash balances and cash management, revenue recognition, collateral analysis, KERP schedules and document, prior financial statements and tax returns, intercompany ledgers, severance issues and plan, restructure and business plan and liquidation issues. Furthermore, we reviewed the Bryan Cave report and began our forensic investigation related to fraudulent transactions. In addition we reviewed the Debtors Statement of Assets and Liabilities (SOAL).	473.8	120,612.50
H. TRUSTEE / COUNSEL DISCUSSIONS & COURT		
Throughout the engagement we consulted with Counsel and Committee members regarding all pertinent matters.	47.1	19,257.50

	HOURS WORKED	AMOUNT
I. FEE APPLICATIONS / MONTHLY STATEMENTS		
Preparation and review of 2 monthly interim fee applications and preliminary work toward preparation of the first quarterly fee application.	32.7	5,534.50
J. CASE ADMINISTRATION		
Reviewed status of engagement with staff and planned areas of work to be performed.	<u>32.0</u>	<u>7,214.00</u>
TOTAL	<u><u>1,527.2</u></u>	<u><u>\$ 368,669.00</u></u>

12. The time spent by partners and staff of BDO Seidman, LLP, from DECEMBER 26, 2000 through FEBRUARY 28, 2001, in performing the procedures described in paragraph 11, along with their hourly rates, is presented below:

	HOURS WORKED	AVG. RATES	AMOUNT
PARTNER	287.7	\$ 442.20	\$ 127,222.50
SENIOR MANAGER	501.5	288.26	144,567.00
MANAGER	208.5	184.09	38,384.00
SENIOR	7.2	165.00	1,188.00
STAFF	508.7	109.84	55,879.50
PARA-PROF.	<u>13.6</u>	<u>105.00</u>	<u>1,428.00</u>
	<u><u>1,527.2</u></u>	<u><u>\$ 241.40</u></u>	<u><u>\$ 368,669.00</u></u>

13. BDO's time records are recorded contemporaneously with the rendition of professional services that have been set forth in Exhibit "A" which contains full and complete detail, a description of the services rendered by each partner, senior manager, manager, senior and staff on a daily basis for the Application period. BDO's time records are maintained in one-tenth of an hour (0.10) increments.

14. Each duty and task performed by BDO has been performed by the professional most qualified to render such services at his or her ordinary hourly charges.

15. There is no agreement or understanding between BDO and any other person, other than the members, associates and employees of BDO, for the sharing of compensation received for services rendered in connection with these proceedings.

16. BDO's professionals have delegated authority where appropriate to prevent duplication of effort, to ensure that associates were used whenever possible and to utilize the services of professionals who bill at lower hourly rates as much as possible.

17. Where more than one person attended a meeting, such attendance was not a duplication of effort, but was necessary to adequately represent the interests of the Creditors, and to have the appropriate expertise available.

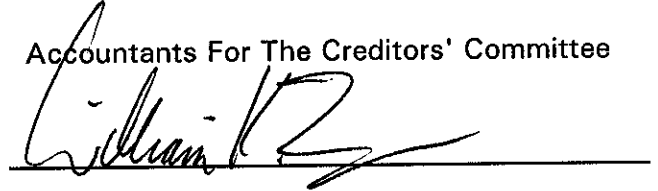
18. For all of the reasons set forth in this application, BDO respectfully submits that the services it has rendered and the disbursements it has incurred on behalf of the Creditors during this case have been reasonably expended in order to adequately represent and protect the interests of the Creditors in this case. BDO submits further that it has provided such services in an economical and efficient manner. Accordingly, BDO requests that the relief requested in this Application be granted in all respects.

WHEREFORE, BDO PRAYS that this Court enter its order allowing BDO court reduced fees and expenses in the total amount of \$ 366,469.11 (representing \$357,017.38 in fees and \$9,451.73 in expenses). Such fees and expenses to be allocated at 40% to Dictaphone Corporation, per the Second Amended Administrative Order, resulting in allocated fees and expenses of \$142,806.95 and \$3,780.70, respectively.

DATED in New York, New York on this 5th Day of December, 2002.

BDO Seidman, LLP
330 Madison Avenue
10th Floor
New York, N.Y. 10017
Telephone Number: (212) 885-8000
Facsimile Number: (212) 697-1299

Accountants For The Creditors' Committee



WILLIAM K. LENHART

Sworn and subscribed to before
me this 5th day of December, 2002



NOTARY PUBLIC

STEPHANIE D. REGAN
Notary Public, State of New York
No. 43-4704738
Qualified in Richmond County
Commission Expires Sept. 30, 2005