

**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 APRIL 30, 2004**

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 April 30, 2004

Amount of Compensation Sought as actual, reasonable and necessary: * \$ 986,268.50

Amount of Expense Reimbursement sought as actual, reasonable and necessary: \$ 48,925.66

This is an: _____ interim final application

* Includes current period (4/1/30 – 4/30/04) fees and expenses of \$2,131.00 and \$0.00, respectively.

The total time expended for preparation of the twentieth monthly interim fee application for the period November 1, 2002 to March 31, 2003 and preparation for the final fee application for Dictaphone Corp. is approximately 3.9 hours and the corresponding compensation requested is approximately \$816.00.

If this is not the first application filed, disclose the following for each prior application:

| | | Requested | | Approved | |
|------------|--------------------|----------------|---------------|--------------|-------------|
| Date Filed | Period Covered | Fees | Expenses | Fees | Expense |
| Various | 12/26/00 – 3/31/01 | \$471,243.50 | \$18,056.46 | \$471,243.50 | \$18,056.46 |
| Various | 4/1 – 7/31/01 | 354,941.00 | 28,747.25 | 354,941.00 | 28,747.25 |
| Various | 8/1 – 11/30/01 | 112,115.00 | 1,428.92 | 112,115.00 | 1,428.92 |
| Various | 12/1/01 – 10/31/02 | 39,160.00 | 630.03 | 39,160.00 | 630.03 |
| Various | 11/1/02 – 3/31/03 | 6,678.00 | 63.00 | 6,678.00 | 63.00 |
| TOTAL | | * \$984,137.50 | * \$48,925.66 | \$984,137.50 | \$48,925.66 |

* Net of court mandated reductions: fees \$29,346.50 and expenses \$3,546.81

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: | | \$280.39 | | |

COMPENSATION BY PROJECT CATEGORY

| Project Category (Examples) | Total Hours | Total Fees |
|---|-------------|-------------------|
| Asset Analysis and Recovery | | |
| Asset Disposition | | |
| Business Operations | 1.2 | 502.50 |
| Case Administration | | |
| Claims Administration and Objections | | |
| Employee Benefits/Pensions | | |
| Fee/Employment Applications | 3.9 | 816.00 |
| Fee/Examiner Report-Response | | |
| Discussions : Debtor Creditors | .3 | 97.50 |
| Litigation | | |
| Plan and Disclosure Statement | | |
| Relief from Stay Proceedings | | |
| Creditors' Committee meeting & conference calls | 2.2 | 715.00 |
| Valuation | | |
| Other (Explain) Reports | | |
| TOTAL | 7.6 | \$2,131.00 |

EXPENSE SUMMARY

| Expense Category (Examples) | Service Provider (if applicable) | Total Expenses |
|---|-------------------------------------|----------------|
| Computer Assisted Legal Research | | |
| Facsimile (with rates) | | |
| Long Distance Telephone | | |
| In-House Reproduction | | 0.00 |
| Outside Reproduction | | |
| Outside Research | | |
| Filing/Court Fees | | |
| Court Reporting | | |
| Local Travel | | |
| Out-of-Town Travel | | |
| Courier & Express Carriers (e.g. Federal Express | | |
| Postage | | |
| Other (Explain) Computer & office supplies | | |
| TOTAL | | \$0.00 |

BDO SEIDMAN, LLP
JERRY D'AMATO
WILLIAM K. LENHART
DAVID E. BERLINER
330 Madison Avenue - 10th Floor
New York, New York 10017
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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,) Chapter 11
SPEECH PRODUCTS N.V., et al.,)
)
Debtor)

**DECLARATION OF WILLIAM K. LENHART IN SUPPORT OF
FINAL APPLICATION OF BDO SEIDMAN, LLP, FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES AS ACCOUNTANTS FOR THE CREDITORS'
COMMITTEE FOR THE PERIOD DECEMBER 26, 2000 TO APRIL 30, 2004**

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

I, WILLIAM K. LENHART declare under the penalty of perjury as follows:

1. I am a partner in the firm of BDO Seidman, LLP ("BDO") and the Co-National Director of BDO's Financial Recovery Services.
2. I have reviewed BDO's application and this affidavit is submitted in support of 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, BDO does not make a profit on that service.
7. In charging for a particular service, BDO does not include the amortization of the cost of any investment equipment or capital outlay.
8. In seeking reimbursement for third party services, BDO requests reimbursement only for the amount billed to BDO by the third-party.
9. 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 herein and in the 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.
10. A summary of the current period 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 annexed to the Application.
11. The following is a summary of the total fees and expenses incurred by BDO during this application period:

| | |
|--------------|-------------------------------------|
| FEEES | \$986,268.50 |
| EXPENSES | <u>48,925.66</u> |
| TOTAL | <u><u>\$1,035,194.16</u></u> |

12. BDO has received from, or on behalf, of the Debtor \$1,024,321.89 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.
13. I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 26, 2004
at New York, New York

/s/ WILLIAM K. LENHART
WILLIAM K. LENHART

Sworn and subscribed to before
me this 26th day of May, 2004

/s/ STEPHANIE D. REGAN
NOTARY PUBLIC

BDO SEIDMAN, LLP
JERRY D'AMATO
WILLIAM K. LENHART
DAVID E. BERLINER
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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 | |
| |) | | |
| Debtor. |) | | |
| |) | | |
| |) | | |
| |) | | |

APPLICATION OF BDO SEIDMAN, LLP FOR APPROVAL OF
FINAL COMPENSATION AND REIMBURSEMENT OF EXPENSES AS
ACCOUNTANTS FOR THE CREDITORS' COMMITTEE FOR THE PERIOD
DECEMBER 26, 2000 THROUGH APRIL 30, 2004

TO THE HONORABLE JUDITH H. WIZMUR,

UNITED STATES BANKRUPTCY JUDGE:

The independent public accounting firm of BDO Seidman, LLP ("BDO") hereby submits its Final Application for Approval of Compensation and Reimbursement of Expenses as Accountants for the Creditors' Committee for the period December 26, 2000 through April 30, 2004 ("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.
3. By application, the Creditors' Committee sought authority to retain BDO as their accountants/financial advisors 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 this Court authorizing the retention of BDO.
4. 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. 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.
5. Detailed statements itemizing current period (4/1/03-4/30/04) services rendered and expenses incurred by BDO are annexed hereto as Exhibits "A" and "B".

II

SUMMARY OF SERVICES RENDERED

6. By this Application for Compensation, BDO seeks approval and payment for (a) compensation for services rendered from December 26, 2000 through April 30, 2004 and (b) reimbursement for certain expenses incurred during the same period.

7. In rendering the services for which current period compensation is sought, partners, senior managers and staff of BDO spent 7.6 hours from April 1, 2003 through April 30, 2004. The time charges for such services, computed at BDO's standard hourly rates are \$2,131.00. In addition, BDO incurred ordinary and necessary expense in connection with the case of \$0.00. These fees and expenses represent total costs incurred during this period of \$2,131.00. Exhibit "A" annexed hereto contains, in full and complete detail, a description of the services rendered by each partner, senior manager and staff on a daily basis. A detailed statement of expenses is annexed 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 and advisory work performed by BDO. A list of the hourly rate is as follows:

| | |
|-----------------|-------------|
| Partners | \$355 - 625 |
| Senior Managers | \$230 - 510 |
| Managers | \$210 - 345 |
| Seniors | \$150 - 255 |
| Staff | \$ 95 - 195 |

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 as well as the numerous and complex issues of accounting required substantial broad-based accounting and financial advisory 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 substantial time and effort to perform properly and expeditiously the required accounting and advisory work.

11. During the period from April 1, 2003 through April 30, 2004, BDO provided services of a general nature to the Creditors' Committees, as set forth below:

| | <u>HOURS</u> | <u>AMOUNT</u> |
|---|--------------|---------------|
| A. 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. | 0.3 | 97.50 |
| B.. MEETINGS OF CREDITORS Preparation for and participation on creditors' Committee conference calls. | 2.2 | 715.00 |
| | <u>HOURS</u> | <u>AMOUNT</u> |
| C. BUSINESS ANALYSIS | 1.2 | 502.50 |

Reviewed opinion on confirmation and claim issues regarding adjustment contract.

| | | | |
|----|---|------------|-----------------|
| D. | FEE APPLICATIONS / MONTHLY STATEMENTS | 3.9 | 816.00 |
| | Preparation and review of fee applications. | | |
| | TOTAL: | 7.6 | 2,131.00 |

12. The time spent by partners and staff of BDO Seidman, LLP, from April 1, 2003 through April 30, 2004, in performing the procedures described in paragraph 11, along with their hourly rates, is presented below:

| Title | Hours | Avg. Rate | Amount |
|----------------|------------|---------------|-----------------|
| PARTNER | .5 | 550.00 | 275.00 |
| SENIOR MANAGER | 5.9 | 291.18 | 1,718.00. |
| PARA-PROF | 1.2 | 115.00 | 138.00 |
| TOTAL: | 7.6 | 280.39 | 2,131.00 |

13. BDO's time records are recorded contemporaneously with the rendition of professional services. Exhibit "A" hereto contains a full and complete description of the services rendered by each partner, senior manager 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 this case.

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' Committee, and to have the appropriate expertise available.

III CONCLUSION

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' Committee during this case have been reasonably expended in order to adequately represent and protect the interests of the Creditors' Committee 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 fees and expenses in the total amount of \$1,035,194.16 representing \$986,268.50 in fees and \$48,925.66 in expenses) net of prior payments of \$1,024,321.89, resulting in a net balance due BDO of \$10,872.27.

DATED in New York, New York on this 26th Day of May, 2004.

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

/s/ WILLIAM K. LENHART
WILLIAM K. LENHART

Sworn and subscribed to before
me this 26th day of May, 2004

/s/ STEPHANIE D. REGAN

NOTARY PUBLIC

LERNOUT & HAUSPIE
Time Summary
April 1, 2003 to April 30, 2004

| <u>Professional</u> | <u>Category</u> | <u>Hours</u> | <u>Rate</u> | <u>Amount</u> |
|----------------------------|------------------------|---------------------|--------------------|----------------------|
| WILLIAM K LENHART | PARTNER | 0.5 | 550.00 | 275.00 |
| KEVIN KADEN | SENIOR MANAGER | 3.2 | 325.00 | 1,040.00 |
| STEVEN NATT | SENIOR MANAGER | 1.1 | 260.00 | 286.00 |
| STEVEN NATT | SENIOR MANAGER | 1.6 | 245.00 | 392.00 |
| MIGDALIA GOMEZ | PARA-PROF. | 1.2 | 115.00 | 138.00 |
| TOTAL: | | 7.6 | | 2,131.00 |

LERNOUT & HAUSPIE

RECAP OF PROFESSIONAL SERVICES

April 1, 2003 to April 30, 2004

A. MEETINGS - DEBTOR

| Date | Name | Description | Time |
|---------------|-------------|--|-------------|
| 6/2/2003 | K.K. | Discussion with Debtor (MB) re: outstanding fee balance. | 0.3 |
| TOTAL: | | | 0.3 |

INDIVIDUAL TOTALS

| Name | Hour | Rate | Compensation |
|-----------------|-------------|-------------|---------------------|
| K. KADEN (K.K.) | 0.3 | 325.00 | 97.50 |
| TOTAL: | 0.3 | | 97.50 |

LERNOUT & HAUSPIE

RECAP OF PROFESSIONAL SERVICES

April 1, 2003 to April 30, 2004

B. MEETINGS OF CREDITORS / TRUSTEE

| <u>Date</u> | <u>Name</u> | <u>Description</u> | <u>Time</u> |
|--------------------|--------------------|---|--------------------|
| 4/7/2003 | K.K. | Participate on Committee conference call regarding Belgium settlement. | 0.5 |
| 5/1/2003 | K.K. | Participate on Committee conference call. | 0.4 |
| 5/12/2003 | K.K. | Committee conference call regarding litigation trustee (claims), fees and controls. | 0.6 |
| 6/18/2003 | K.K. | Committee conference call re: Stonington objection. | 0.7 |
| TOTAL: | | | 2.2 |

INDIVIDUAL TOTALS

| <u>Name</u> | <u>Hour</u> | <u>Rate</u> | <u>Compensation</u> |
|--------------------|--------------------|--------------------|----------------------------|
| K. KADEN (K.K.) | 2.2 | 325.00 | 715.00 |
| TOTAL: | 2.2 | | 715.00 |

LERNOU & HAUSPIE

RECAP OF PROFESSIONAL SERVICES

April 1, 2003 to April 30, 2004

C. BUSINESS ANALYSIS

| Date | Name | Description | Time |
|---------------|-------------|--|-------------|
| 6/10/2003 | K.K. | Review opinion on confirmation. | 0.7 |
| 12/10/2003 | W.L. | Review claim issues regarding adjustment contract. | 0.2 |
| 12/11/2003 | W.L. | Review issues regarding claim in preparation for conference call with committee. | 0.3 |
| TOTAL: | | | 1.2 |

INDIVIDUAL TOTALS

| Name | Hour | Rate | Compensation |
|-------------------|-------------|-------------|---------------------|
| W. LENHART (W.L.) | 0.5 | 550.00 | 275.00 |
| K. KADEN (K.K.) | 0.7 | 325.00 | 227.50 |
| TOTAL: | 1.2 | | 502.50 |

LERNOUT & HAUSPIE

RECAP OF PROFESSIONAL SERVICES

April 1, 2003 to April 30, 2004

D. FEE APPLICATIONS / MONTHLY STATEMENTS

| Date | Name | Description | Time |
|---------------|-------------|---|-------------|
| 4/24/2003 | M.G. | Preparation of monthly interim fee application. | 1.2 |
| 4/28/2003 | S.N. | Preparation of monthly interim fee application. | 0.8 |
| 5/9/2003 | S.N. | Preparation of monthly interim data. | 0.4 |
| 5/16/2003 | S.N. | Preparation of monthly interim data. | 0.4 |
| 4/30/2004 | S.N. | Preparation of final fee application | 1.1 |
| TOTAL: | | | 3.9 |

INDIVIDUAL TOTALS

| Name | Hour | Rate | Compensation |
|-----------------|-------------|-------------|---------------------|
| S. NATT (S.N.) | 1.1 | 260.00 | 286.00 |
| S. NATT (S.N.) | 1.6 | 245.00 | 392.00 |
| M. GOMEZ (M.G.) | 1.2 | 115.00 | 138.00 |
| TOTAL: | 3.9 | | 816.00 |

EXHIBIT "B"

Lernout & Hauspie
Schedule of Expenses
April 1, 2003 to April 30, 2004

| | | |
|-----|---|----------------|
| 1. | PHOTOCOPYING | |
| | a. Internal – | \$ |
| | b. External | |
| 2. | TELECOMMUNICATIONS | |
| | a. Toll Charges – | |
| | b. Facsimile | |
| | c. Out-of-state toll charges | |
| 3. | COURIER, FREIGHT AND POSTAL SERVICES - <i>for overnight and hand delivers to Counsel and Committee members</i> | |
| 4. | PRINTING | |
| 5. | COURT REPORTER AND TRANSCRIPTS | |
| 6. | MESSENGER SERVICE | |
| 7. | TECHNOLOGY | |
| 8. | OUT-OF-TOWN TRAVEL | |
| | a. Transportation - | |
| | b. Lodging - | |
| | c. Meals - | |
| 9. | WORD PROCESSING SERVICES | |
| 10. | OVERTIME EXPENSES | |
| 11. | LOCAL MEALS - <i>working conference lunches and dinners for professionals</i> | |
| 12. | LOCAL TRANSPORTATION, TOLLS, MILEAGE AND PARKING - <i>for cabs to/from meetings, car service for employees working after 8:00 p.m. and local mileage using personal auto</i> | |
| 13. | MISCELLANEOUS | |
| 14. | TOTAL | <u>\$ 0.00</u> |