

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

In re:		Chapter 11
)	
LERNOUT & HAUSPIE SPEECH)	Case No. 00-4397 (JHW) Through 00-4399
PRODUCTS N.V., <u>et al.</u> ,)	
)	Jointly Administered
Debtors.)	
)	
)	

**FOURTH INTERIM AND FINAL APPLICATION OF CROSSROADS, LLC FOR
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR
THE PERIOD FEBRUARY 1, 2002 THROUGH MARCH 28, 2002**

Name of Applicant:	Crossroads, LLC
Authorized to Provide Professional Services to:	Debtors
Date of Retention:	May 31, 2001, <i>nunc pro tunc</i> to April 2, 2001
Total of Fees and Expenses sought to date:	\$789,061.59
<i>Voluntary discounts given from April 2, 2001 through July 31, 2001:</i>	\$ 20,500.00
<i>Voluntary discounts given from August 1, 2001 through November 30, 2001:</i>	\$ 9,100.00
Total of Fees and Expenses paid to date:	\$723,799.35
Period for which 20% holdback fees is sought:	August 1, 2001 through January 31, 2002
20% holdback fees requested through January 31, 2002:	\$ 32,040.30
Period for which 100% compensation and reimbursement is sought:	February 1, 2002 through March 28, 2002
Amount of 100% compensation sought as actual, reasonable and necessary:	\$ 3,572.50
Amount of 100% expense reimbursement sought as actual, reasonable and necessary:	\$ 49.44
Total Amount Requested in this Application:	<u>\$ 35,662.24</u>

This is an: interim final application

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ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FEBRUARY 1, 2002 THROUGH MARCH 28, 2002**

Crossroads, LLC ("Crossroads"), accountant to The Official Committee of Unsecured Creditors of Dictaphone Corporation (the "Committee"), hereby applies for 100% allowance of fourth interim compensation for professional services charged for the period from February 1, 2002 through March 28, 2002 and reimbursement of expenses incurred in connection therewith, and respectfully states:

FEEES AND EXPENSES FOR WHICH ALLOWANCE IS SOUGHT

1. Crossroads makes this Application pursuant to sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code"), an Order authorizing the retention of Crossroads executed May 31, 2001, nunc pro tunc to April 2, 2001 and the Court's Amended Administrative Order, dated April 10, 2001 establishing procedures for interim compensation and reimbursement of expenses of professionals employed by the Committee. Crossroads seeks approval and allowance of fourth interim compensation for professional services charged to the Committee during the period from February 1, 2002 through March 28, 2002 (the "Compensation Period") in the amount of \$3,572.50. A schedule setting forth the number of hours expended by staff of

Crossroads who rendered services to the Committee during the Compensation Period, and their respective hourly rates is attached hereto as Exhibit A. Crossroads also requests reimbursement of actual and necessary out-of-pocket expenses incurred in connection with its representation of the Debtor during the Compensation Period in the amount of \$49.44. A schedule setting forth the expenses, for which Crossroads is seeking reimbursement, is attached hereto as Exhibit B.

2. Crossroads has included in this Application all time and expenses relating to the Compensation Period. Accordingly, this Application requests payment of compensation earned that had a twenty percent (20%) Fee Holdback during prior compensation periods.

3. This is Crossroads' fourth interim and final application for compensation and reimbursement of expenses in these chapter 11 cases.

**COMPLIANCE WITH U.S. TRUSTEE'S
GUIDELINES AND LOCAL RULE 2016-2**

4. Pursuant to section 586(a)(3)(A) of title 28 of the United States Code, the Executive Office for United States Trustee promulgated certain procedural guidelines governing the review by the Offices of the United States Trustees of applications for compensation and reimbursement of expenses under section 330 of the Bankruptcy Code (the "Guidelines"). The Guidelines became effective on May 1, 1995. Except as set forth herein, this Application materially complies with the Guidelines. This Application also materially complies with Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of this Court (the "Local Rules"). Crossroads' certification under section 504 of the Bankruptcy Code, Federal Rule of Bankruptcy Procedure 2016(a), the Guidelines and Local Rule 2016-2 is attached hereto as Exhibit C.

5. During Crossroads' representation as Accountant to the Committee, Crossroads has maintained contemporaneous time records for each of the categories specified in the Guidelines. A copy of Crossroads' contemporaneous time records in each such category is attached hereto as Exhibit D.

6. During Crossroads' representation as Accountant to the Committee, Crossroads voluntarily reduced fees on out-of-town travel and professional hourly rates in miscellaneous categories. These discounts were given throughout the period of April 2, 2001 through July 31, 2001, in the amount of \$20,500.00 and from August 1, 2001 through November 30, 2001, in the amount of \$9,100.00. In general, services provided by Crossroads were necessary and essential in supporting the Debtor and the reductions were used as a vehicle to assist the Court, as well as the Fee Examiner assigned to this case.

GENERAL BACKGROUND

7. On November 29, 2000 (the "Petition Date"), Lernout & Hauspie Speech Products N.V. ("L&H"), Dictaphone Corporation, and L&H Holdings USA, Inc. (collectively referred to as the "Debtors"), each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors' cases are jointly administered pursuant to an Order dated December 5, 2000. As of the date hereof, no trustee or examiner has been appointed in these cases.

8. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their properties and assets as debtors-in-possession.

9. At the outset of these proceedings, the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed a single creditors' committee to represent the interests of

all holders of unsecured claims in these chapter 11 cases (the “L&H Committee”). On January 18, 2001, this Court approved the retention of Akin, Gump, Strauss, Hauer & Feld, L.L.P. as counsel for the L&H Committee, and currently pending before this Court is a motion to approve the retention of Walsh, Monzack and Monaco, P.A., as Delaware counsel to the L&H Committee.

10. On February 28, 2001, the U.S. Trustee appointed a separate creditors’ committee to represent the interests of the holders of unsecured claims in the chapter 11 case of Dictaphone. Currently pending before this Court are applications seeking the retention of Cadwalader, Wickersham & Taft as counsel, The Bayard Firm as Delaware counsel, and Chanin Capital Partners LLC (“Chanin”) as financial advisor to the Committee.

RETENTION OF CROSSROADS

11. On April 25, 2001, the Official Committee of Unsecured Creditors of Dictaphone Corporation (the “Dictaphone Committee”), applied for an Order authorizing the employment and retention of Crossroads as Accountant for the Dictaphone Committee.

12. On May 31, 2001, the United States Bankruptcy Judge for the District of Delaware authorized said Order authorizing the Dictaphone Committee to employ Crossroads as its Accountant effective April 2, 2001. Such Order is based on the terms and conditions set forth in the letter agreement between the Dictaphone Committee and Crossroads, dated April 24, 2001 (the “Engagement Letter”), to render financial advisory services and perform an independent financial analyses of the transactions contemplated in the Debtors’ cases.

13. The Dictaphone Committee retained Crossroads as its Accountant because of the firm’s extensive experience, expertise and knowledge in the field of accounting and related forensic investigation and analyses in the context of business reorganizations under chapter 11 of the Bankruptcy Code.

SERVICES RENDERED BY CROSSROADS

14. The professional services that Crossroads has rendered to the Dictaphone Committee include the following activities:

A. Business Analysis

(Fees: \$792.00 Total Hours: 1.60)

15. Discussions with Dictaphone management pertaining to certain issues, including: Pension Plan termination, inter-company charges – medical insurance, status of pending updated Amended Plan and Disclosure Statement; Matters pertaining to inter-company allocation of PricewaterhouseCoopers fees; Matters pertaining to the GMAC “Exit Financing commitment, including communications with Committee Counsel and Committee Chair; Review of 3rd Amended Disclosure Statement and 3rd Amended Plan of Reorganization, including related notes and exhibits thereto; Matters pertaining to the maintenance, safekeeping, organization of workfiles, including removal from Dictaphone offices. Review Company’s cash report and forecast for the week ended 2/1/02; Review Chanin’s report on the Company’s preliminary 2001 results compared to the Plan and 2002 Budget. Ongoing review and understanding of Dictaphone operations.

B. Claims

(Fees: \$99.00 Total Hours: 0.20)

16. Review Company’s updated summary claims analysis. Miscellaneous claims matters.

C. Creditors Meeting

(Fees: \$742.50 Total Hours: 1.50)

17. Review of recent communications and materials in preparation for Committee's 2/14/02 conference call; Attend and participate in 2/14/02 Committee conference call; Telephone communication with certain noteholder pertaining to the status of the case and the Company's post-Chapter 11 Plan. Teleconferences with the Official Committee of Unsecured Creditors, Committee counsel and individual members thereof.

D. Fee Application

(Fees: \$889.00 Total Hours: 2.20)

18. Review of Fourth and Final Interim Fee Application; Preparation of Crossroads Monthly Fee Applications and matters pertaining to the accumulation of information for the fee application.

E. Asset Analysis

(Fees: \$1,050.00 Total Hours: 3.50)

19. Various discussions, analyses, etc. pertaining to certain valuations, allocations, proposals in respect of possible sale or licensing transactions.

ALLOWANCE OF COMPENSATION

20. Crossroads is cognizant of the factors considered by the courts in determining allowances of compensation under section 331 of the Bankruptcy Code. Application of those factors to this Application more than justifies the compensation requested.

21. **The Rates Charged For Such Services.** The standard hourly rates for Crossroads' staff are as follows: (i) principals - \$450.00 to \$580.00, (ii) directors - \$315.00 to \$450.00, (iii)

consultants - \$220.00 to \$330.00, (iv) associate accountant - \$150.00 to \$215.00, and (v) administration - \$ 95.00. Such hourly rates, which are the customary hourly rates that are charged by Crossroads for the work of its advisors and to cover fixed and routine overhead expenses. The hourly rates set forth above are subject to periodic adjustments in order to reflect economic and other conditions.

22. **The Necessity of the Services and Benefit to the Estate.** As detailed above, the services Crossroads provided to the Committee were necessary to enable the Debtors to administer the estate in an orderly and efficient manner and in compliance with the Bankruptcy Code and relevant orders of this Court.

23. **Customary Compensation.** Crossroads relies on the Court's experience and knowledge with respect to the compensation awards in similar cases. Given that frame of reference, Crossroads submits that, in light of the circumstances of the case and the substantial benefits derived from Crossroads' assistance; compensation in the amount requested is fair and reasonable.

24. **Experience, Reputation, and Ability of the Financial Consultants Rendering Services.** Crossroads' services have been rendered in a highly efficient manner by staff members who have achieved a high degree of expertise in the field of business reorganizations.

25. **Nature and Length of the Professional Relationship With the Client.** Crossroads was retained on June 30, 2001 by the Committee. After the commencement of the chapter 11 cases and pursuant to such Order the Court authorized the Committee to retain Crossroads *nunc pro tunc* to June 1, 2001.

26. Based on the factors to be considered under section 331 of the Bankruptcy Code, the results Crossroads has achieved to date more than justify allowance in full of Crossroads' compensation and reimbursement request.

DISBURSEMENTS

27. For this Compensation Period, Crossroads is requesting reimbursement for reasonable and necessary out-of-pocket expenses incurred. Exhibit B attached hereto summarizes the actual expenses incurred by Crossroads during the Compensation Period and Exhibit E details each of the expenses incurred. Each of the charges reflected on Exhibit B and Exhibit E is based on the actual and necessary expenses incurred by Crossroads in the exercise of reasonable discretion.

CONCLUSION

28. Crossroads' services have resulted in significant benefits to the Committee and, by extension, the Debtors and their estates. Accordingly, Crossroads respectfully submits that its request for compensation and reimbursement of expenses is reasonable and is justified by the benefits received by the Committee and the Debtors' estates and that the request, therefore, should be allowed in full.

WHEREFORE Crossroads respectfully requests entry of an order granting it (a) allowances of fourth interim compensation for professional services rendered in the amount of \$3,572.50 plus expenses incurred in the amount of \$49.44 for the period of February 1, 2002 through March 28, 2002, (b) 20% holdback fees for the period of August 1, 2001 through January 31, 2002 in the amount of \$32,040.30 and (c) such other and further relief as is just and proper.

Dated: May 21, 2002

CROSSROADS, LLC

By: _____

Name: Joel Simon

Its: Principal-In-Charge

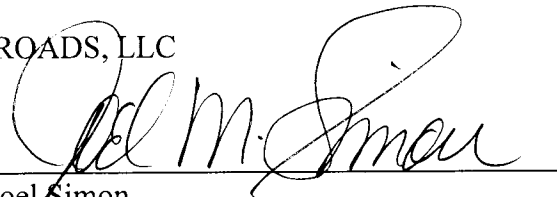


EXHIBIT A

Application

IN RE LERNOUT & HAUSPIE SPEECH PRODUCTS N.V., et al.

Fourth Interim and Final Application of Crossroads, LLC for Allowance of Compensation and Reimbursement Of Expenses for the period February 1, 2002 Through March 28, 2002

SERVICES FROM FEBRUARY 1, 2002 THROUGH MARCH 28, 2002

NAME	POSITION	*TRAVEL HOURS	HOURS BILLED	HOURLY RATE	AMOUNT
Joel Simon	Principal	None	5.00	\$495.00	\$ 2,475.00
Kipp Fagerstrom	Consultant	None	3.50	\$300.00	\$ 1,050.00
Carla Cooper	Administration	None	1.40	\$ 95.00	\$ 47.50
	TOTALS:	0	9.90	<i>(Blended Rate)</i> 360.86	\$ 3,572.50

***NOTE:** *Travel hours are charged at half rate.*

EXHIBIT B

Reimbursement

Crossroads, LLC
Dictaphone Corporation
Summary of Expenses
Through the Period March 28, 2002

Overnight Delivery	49.44
Total Expenses Due:	<u>\$ 49.44</u>

EXHIBIT C
Certification

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

In re:)	Chapter 11
)	
LERNOUT & HAUSPIE SPEECH)	Case No. 00-4397 (JHW)
PRODUCTS N.V., <u>et al.</u> ,)	Through 00-4399
)	
Debtors.)	Jointly Administered
)	
)	
)	
)	

**CERTIFICATION OF CROSSROADS, LLC UNDER
SECTION 504 OF THE BANKRUPTCY CODE, FEDERAL RULE
OF BANKRUPTCY PROCEDURE 2016(a), THE UNITED
STATES TRUSTEE GUIDELINES AND LOCAL RULE 2016-2**

The undersigned certifies under penalty of perjury as follows:

1. I am a principal of Crossroads, LLC ("Crossroads").
2. Crossroads provided accounting services in these chapter 11 cases for the Debtors.
3. In accordance with section 504(a) of title 11 of the United States Code (the

"Bankruptcy Code") and Federal Rule of Bankruptcy Procedure 2016, no agreement or understanding exists between Crossroads and any other person for a sharing of compensation received or to be received for services rendered in or in connection with these chapter 11 cases and Crossroads shall not share or agree to share the compensation paid or allowed from the Debtors' estates for such services with any other person.

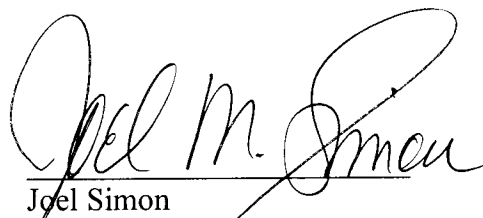
4. No agreement or understanding prohibited by 18 U.S.C. § 155 has been or will be made by Crossroads.

5. I have read the foregoing application of Crossroads for fourth and final interim compensation and reimbursement of expenses (the "Application").

6. To the best of my knowledge, information and belief formed after reasonable inquiry, the compensation and reimbursement of expenses sought in the Application materially comply with the requirements of Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of this Court and the procedural guidelines governing the review by the Offices of the United States Trustees of applications for compensation and reimbursement of expenses under section 331 of the Bankruptcy Code promulgated by the Executive Office for United States Trustee under 28 U.S.C. § 586(a)(3)(A) (the "Guidelines"), except to the extent set forth in the Application.

7. Except for certain compensation and reimbursement of expenses which would normally be paid by our clients but which may be prohibited by Local Rule 2016-2 or the Guidelines, the compensation and reimbursement of expenses sought are billed at rates and are in accordance with practices that are customarily employed by Crossroads and are generally accepted by its clients.

Dated: May 21, 2002



Joel Simon

Accountant to the Debtors

EXHIBIT D
Detailed Time Records

Crossroads, LLC
Dictaphone
Summary of Activity
February 1 through March 28, 2002

BK-02 Business Analysis	Rate	Hours	Total fees
Simon, Joel	495.00	1.60	792.00
		1.60	792.00

BK-05 Claims	Rate	Hours	Total fees
Simon, Joel	495.00	0.20	99.00
		0.20	99.00

BK-07 Creditor Meeting	Rate	Hours	Total fees
Simon, Joel	495.00	1.50	742.50
		1.50	742.50

BK-09 Fee Application	Rate	Hours	Total fees
Cooper, Carla	95.00	0.50	47.50
Simon, Joel	495.00	1.70	841.50
		2.20	889.00

BK-50 Asset Analysis	Rate	Hours	Total fees
Fagerstrom, Kipp	300.00	3.50	1050.00
		3.50	1050.00

Total Fees Due

\$ 3,572.50

<u>Date</u>	<u>User:2</u>	<u>Activity</u>	<u>Description</u>	<u>Time Spent</u>	<u>Billing Rate</u>	<u>Billable</u>
<u>Activity - BK-02</u>						
2/10/02	Simon, J.	BK-Bus Analysis	Review Cash Report and Forecast for w/e 2/1/02	0.50	495.00	247.50
2/14/02	Simon, J.	BK-Bus Analysis	Review of Chanin's report on preliminary 2001 results compared to Plan and 2002 budget	0.30	495.00	148.50
3/6/02	Simon, J.	BK-Bus Analysis	Review and respond to Greg Seketa (Conseco) re intercompany insurance cost allocations.	0.20	495.00	99.00
3/13/02	Simon, J.	BK-Bus Analysis	Respond to Greg Seketa (Conseco) request for information pertaining to the intercompany charges and allocations pertaining to insurance.	0.60	495.00	297.00
Subtotal for User JMS						
				1.60		792.00
Subtotal for Activity BK-02						
				1.60		792.00
<u>Activity - BK-05</u>						
2/7/02	Simon, J.	BK-Claims	Review updated claims analysis summary prepared from information supplied by debtor	0.20	495.00	99.00
Subtotal for User JMS						
				0.20		99.00
Subtotal for Activity BK-05						
				0.20		99.00
<u>Activity - BK-07</u>						
2/13/02	Simon, J.	BK-Creditor Mtg	Review and respond to various communications pertaining to upcoming Committee Conference Call	0.10	495.00	49.50
2/14/02	Simon, J.	BK-Creditor Mtg	Committee Conference Call with counsel - update of case, pending issues, communications with debtor and debtor's counsel, etc.	0.50	495.00	247.50
2/26/02	Simon, J.	BK-Creditor Mtg	Telephonic communication with David Nelson (bondholder - PPM America) pertaining to status of the case and the company's prospects.	0.40	495.00	198.00
3/25/02	Simon, J.	BK-Creditor Mtg	Magten Asset Management - telephonic communication with Vishal Phautni pertaining to the case status, company prospects and related matters.	0.50	495.00	247.50
Subtotal for User JMS						
				1.50		742.50

<u>Date</u>	<u>User:2</u>	<u>Activity</u>	<u>Description</u>	<u>Time Spent</u>	<u>Billing Rate</u>	<u>Billable</u>
<u>Activity - BK-07</u>						
Subtotal for Activity BK-07				<hr/>		<hr/>
				1.50		742.50
<u>Activity - BK-09</u>						
2/28/02	Cooper, C.	BK-Fee app	Preparation of fee application for January, 2002.	0.50	95.00	47.50
Subtotal for User CFC				<hr/>		<hr/>
				0.50		47.50
2/5/02	Simon, J.	BK-Fee app	Review and execute Third Interim Fee Application	0.10	495.00	49.50
2/12/02	Simon, J.	BK-Fee app	Review January pre-bill and narratives	0.60	495.00	297.00
2/13/02	Simon, J.	BK-Fee app	Review draft Order and Transcript of 1/31/02 Fee App Hearing	0.40	495.00	198.00
2/15/02	Simon, J.	BK-Fee app	Final review and execution of January 2002 Fee Application	0.10	495.00	49.50
3/14/02	Simon, J.	BK-Fee app	Review and execution of February 2002 Fee App	0.50	495.00	247.50
Subtotal for User JMS				<hr/>		<hr/>
				1.70		841.50
Subtotal for Activity BK-09				<hr/>		<hr/>
				2.20		889.00
<u>Activity - BK-50</u>						
3/13/02	Fagerstrom, K.	BK-Asset Analys	Review and analysis of January 2002 Dictaphone Monthly Operation Report.	3.50	300.00	1050.00
Subtotal for User KDF				<hr/>		<hr/>
				3.50		1050.00
Subtotal for Activity BK-50				<hr/>		<hr/>
				3.50		1050.00
GRAND TOTAL				<hr/> <hr/>		<hr/> <hr/>
				9.00		3572.50

EXHIBIT E
Detailed Expense Records

**Crossroads, LLC
Dictaphone
Summary of Expenses
February 1 through March 28, 2002**

Overnight 49.44

Total Expenses Due \$ 49.44

<u>Date</u>	<u>User:2</u>	<u>Activity</u>	<u>Description</u>	<u>Quantity</u>	<u>@Activity</u>
<u>Activity - \$Overnight</u>					
3/1/02	Misc	\$Overnight	Overnight Delivery/Fed-Ex 2/22/02 (2)	1.00	22.30
3/14/02	Misc	\$Overnight	Overnight Delivery/Fed-Ex 3/14/02 #832272230434	1.00	17.34
3/18/02	Misc	\$Overnight	Overnight Delivery/Fed-Ex 3/18/02 #832449490421	1.00	9.80
Subtotal for Activity \$Overnight				<hr/>	<hr/>
				3.00	49.44
GRAND TOTAL					<hr/> <hr/>
					49.44