

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

IN RE: : Chapter 11
: :
LERNOUT & HAUSPIE SPEECH : Case No. 00-04397 (JHW) through
PRODUCTS N.V., et al., : 00-4399 (JHW)
: Jointly Administered
Debtor. : **Objections Due: 06/30/04 @ 4:00 p.m.**
: **Hearing Date:TBD**

**THIRD AND FINAL FEE APPLICATION OF SMITH, KATZENSTEIN
& FURLOW LLP FOR ALLOWANCE OF COMPENSATION
AND REIMBURSEMENT OF EXPENSES INCURRED ON BEHALF
OF DEBTOR LERNOUT & HAUSPIE SPEECH PRODUCTS, N.V.
(I) FOR THE PERIOD JUNE 1, 2003 THROUGH APRIL 2, 2004 ON AN
INTERIM BASIS; AND (II) FINAL ALLOWANCE OF COMPENSATION FOR
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD NOVEMBER 26, 2002 THROUGH APRIL 2, 2004**

Name of Applicant: Smith, Katzenstein & Furlow LLP

Authorized to Provide
Professional Services to: Debtor - Lernout & Hauspie Speech Products,
N.V.

Date of Retention: February 11, 2003, *nunc pro tunc* to
November 26, 2002

Period for which compensation
and reimbursement is sought: Interim Compensation for period June 1, 2003
Through April 2, 2004, \$2,327.50 in fees and
\$121.50 in expenses.

Final Compensation for November 26, 2002
Through April 2, 2004, \$9,641.50 in fees and
\$2,487.63 in expenses.

This is an: X interim X final application.

The total time expended for the preparation of this application is estimated to be approximately 2 hours and the corresponding compensation is estimated to be approximately \$500.00, which is included in the numbers above.

EXHIBIT "A" TO THIRD INTERIM FEE APPLICATION

SUMMARY CHART OF PROFESSIONALS AND FEES

<u>Name of Professional</u>	<u>Year Admitted</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total Billed</u>
<u>Partners</u>				
Kathleen M. Miller	1990	9.1	\$250	\$2,275.00
<u>Associates</u>				
Dominick T. Gattuso	1998	.3	\$175	\$52.50
TOTAL		9.4		<u><u>\$2,327.50</u></u>

EXHIBIT "B" TO THIRD INTERIM FEE APPLICATION
COMPENSATION BY PROJECT CATEGORY

	<u>Hours</u>	<u>Total Billed</u>
Adversary Proceeding	6.1	\$1,502.50
Case Admin. & Management	.8	\$ 200.00
Fee Applications	2.5	\$ 625.00
TOTAL	9.4	\$2,327.50

EXHIBIT "C" TO THIRD INTERIM FEE APPLICATION
EXPENSE SUMMARY

	<u>Service Provider</u> <u>(if applicable)</u>	<u>Total Expenses</u>
Postage	N/A	\$ 11.10
Telephone Charges	N/A	\$ 0.73
Fax Charges (\$.25/page)	N/A	N/A
Photocopy Charges (\$.15/page)	N/A	\$ 34.05
Courier	N/A	\$ 5.00
PACER	N/A	\$ 12.88
Legal Research	Westlaw	<u>\$ 57.74</u>
TOTAL		\$121.50

EXHIBIT "A" TO FINAL FEE APPLICATION

SUMMARY CHART OF PROFESSIONALS AND FEES

<u>Name of Professional</u>	<u>Year Admitted</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total Billed</u>
<u>Partners</u>				
David A. Jenkins	1978	.1	\$325	\$32.50
Kathleen M. Miller	1990	21.6	\$250	\$5,400.00
<u>Associates</u>				
Dominick T. Gattuso	1998	.3	\$175	\$52.50
Deborah C. Sellis	1999	14.4	\$175	\$2,520.00
Joelle E. Polesky	1999	.1	\$175	\$17.50
Roger D. Anderson	1999	.2	\$175	\$35.00
<u>Paralegals</u>				
Maryanne M. Payne	N/A	3.5	\$110	\$385.00
Ellen Y. Sebastiani	N/A	6.8	\$110	\$748.00
Yaparak Soysal	N/A	4.1	\$110	\$451.00
TOTAL		51.1		\$9,641.50

EXHIBIT "B" TO FINAL FEE APPLICATION
COMPENSATION BY PROJECT CATEGORY

	<u>Hours</u>	<u>Total Billed</u>
Adversary Proceeding	18.3	\$4,050.00
Professional Retention	13.1	\$2,245.00
Case Admin. & Management	9.3	\$1,433.00
Fee Applications	10.4	\$1,913.50
TOTAL	51.1	\$9,641.50

EXHIBIT "C" TO FINAL FEE APPLICATION

EXPENSE SUMMARY

	<u>Service Provider (if applicable)</u>	<u>Total Expenses</u>
Postage	N/A	\$ 382.36
Telephone Charges	N/A	\$ 2.46
Fax Charges (\$.25/page)	N/A	\$ 9.25
Photocopy Charges (\$.15/page)	N/A	\$ 137.25
Courier	N/A	\$ 55.00
Court Filing	N/A	\$1,050.00
PACER	N/A	\$ 42.07
Virtual Docket	N/A	\$ 2.40
Legal Research	Westlaw	\$ 57.74
Delivery Expenses	Parcels	\$ 30.00
Photocopies	Digital Legal Services	<u>\$ 719.10</u>
TOTAL		\$2,487.63

PREVIOUS APPLICATIONS

Date Filed	Period Covered	Requested Fees/Expenses	Approved/ Fees/Expenses
03/04/03	11/01/02-01/31/03	\$3,085.00/\$1,100.88	Approved
06/12/03	02/01/03-05/31/03	\$4,229.00/\$1,265.25	Approved

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OF DEBTOR LERNOUT & HAUSPIE SPEECH PRODUCTS, N.V.
(I) FOR THE PERIOD JUNE 1, 2003 THROUGH APRIL 2, 2004 ON AN
INTERIM BASIS; AND (II) FINAL ALLOWANCE OF COMPENSATION FOR
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD NOVEMBER 26, 2002 THROUGH APRIL 2, 2004**

Smith, Katzenstein & Furlow LLP ("SKF"), duly retained counsel for Lernout & Hauspie Speech Products, N.V. in certain adversary proceedings ("L&H NV") hereby submits its Third and Final Fee Application of Smith, Katzenstein & Furlow LLP for Allowance of Compensation and Reimbursement of Expenses Incurred on Behalf of Debtor Lernout & Hauspie Speech Products, N.V. (I) for the Period from June 1, 2003 through April 2, 2004 on an Interim Basis (the "Third Application Period") and (II) Final Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period of November 26, 2002 Through April 2, 2004, pursuant to 11 U.S.C. §§ 330 and 331 and Bankruptcy Rule 2015(a) (the "Application"). In support of its Application, SKF respectfully shows the Court as follows:

BACKGROUND

1. SKF was retained in this case to represent L&H NV in several adversary proceedings seeking to recover, among other things, preference payments. For the Third Application Period, SKF seeks allowance of compensation and reimbursement of expenses in the amounts of \$2,327.50 and \$121.50, respectively for a total of \$2,449.00.

2. For its Final Application, SKF seeks allowance of compensation and reimbursement of expenses in the amounts of \$9,641.50 and \$2,487.63, respectively for a total of \$12,129.13.

3. Under the Second Amended Administrative Order, Pursuant to Sections 105(a) And 331 Of The Bankruptcy Code, Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals, dated July 17, 2001 (D. I. 953) (as amended, the “Interim Compensation Order”), the Court established procedures for interim compensation and reimbursement of expenses for certain professionals in these cases.

4. On May 30, 2003, the United States Bankruptcy Court for the District of Delaware entered the Findings of Fact and Conclusions of Law Relating To, And Order Under 11 U.S.C. §1129 confirming, The Official Committee of Unsecured Creditors’ Plan of Liquidation for Lernout & Hauspie Speech Products N.V. under Chapter 11 of the Bankruptcy Code. The L&H Plan became effective on April 2, 2004.

RELIEF REQUESTED

5. SKF submits its Third Application (i) for allowance of reasonable compensation for actual, reasonable and necessary professional services by it as counsel for

L&H NV in these cases for the period from June 1, 2003 through April 2, 2004 and (ii) for reimbursement of actual, reasonable and necessary expenses incurred in representing L&H NV during that same period, on an interim basis. This application is made pursuant to the provisions of sections 327, 330 and 331 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, Rule 2016-2 of the Local Rules of Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), and the Interim Compensation Order.

6. SKF submits its Final Application (i) for allowance of reasonable compensation for actual, reasonable and necessary professional services by it as counsel for L&H NV in these cases for the period from November 26, 2002 through April 2, 2004 and (ii) for reimbursement of actual, reasonable and necessary expenses incurred in representing L&H NV during that same period.

7. Professional services and expenses for which compensation and reimbursement are sought were rendered and expended on behalf of L&H NV pursuant to Chapter 11 of the Bankruptcy Code. SKF believes it is appropriate that it be compensated for the time spent and be reimbursed for the expenses incurred in connection with these matters.

8. For the period covered by the Third Application, SKF has provided professional services to L&H NV and incurred fees for such services totaling \$2,327.50. For the same period, SKF has incurred actual, reasonable and necessary expenses in connection therewith totaling \$121.50. With respect to these amounts, as of the date of this Application, SKF has received no payments.

9. For the period covered by the Final Application, SKF has provided professional services to L&H NV and incurred fees for such services totaling \$9,641.50. For the same period, SKF has incurred actual, reasonable and necessary expenses in connection therewith totaling \$2,487.63 for a total of \$12,129.13.

10. No agreement or understanding exists between SKF and any other person for the sharing of compensation received or to be received for services rendered in or in connection with L&H NV. The undersigned has reviewed the requirements of Local Rule 2016-2 of the United States Bankruptcy Court for the District of Delaware and certifies to the best of her information, knowledge and belief that this application complies with Local Rules 2016-2.

11. These services are described in greater detail below in narrative fashion and detailed in the time records attached hereto as Exhibit A. The services rendered by SKF to L&H NV fall into the following categories:

a. Preference Actions

SKF worked on the adversary actions seeking recovery of preference payments, filing complaint, by making contact with defense counsel and entering into agreement with such counsel regarding discovery, and filing various motions. SKF also met with counsel for the Trustee to prepare for the transition of these files to the Trustee, which has now occurred. After the transition, SKF continued to act as Delaware counsel for the Trustee.

b. Case Management

All the time charges in this category relate to general administrative matters concerning the case.

c. Professional Retention

SKF filed appropriate papers to be retained as counsel to L&HNV.

d. Fee Applications

SKF has now filed three applications for compensation.

12. Attached as Exhibit A hereto are SKF's time records which detail the services rendered during the Application Period by project and include (a) the date of each service rendered; (b) the total time devoted by the person to the services on that date; (c) a detailed description of each service rendered; (d) the amount of time spent on the services, broken down in detail by the specific tasks performed and the time devoted to the tasks; and (e) the identity of the person who rendered this service.

13. SKF has staffed its representation in these cases throughout the Application Period so as to provide adequate representation in the most economical manner possible.

14. A summary of all disbursements for which reimbursement is sought through this Application, is attached hereto as Exhibit A. The expenses and disbursements for which SKF seeks reimbursement represent SKF's actual cost for each such charge, and SKF makes no profit on any of the items for which it seeks reimbursement in this Application SKF charges \$.15 per page for photocopies and \$.25 per page for facsimiles.

SATISFACTION OF APPLICABLE LEGAL STANDARDS

15. In pertinent part, Section 330 of the Bankruptcy Code provides that the Court may award to a professional person (including attorneys for a committee):

- (1) reasonable compensation for actual necessary services rendered by such professional person.. .based on the time, the nature, the extent, and the value of such

services, and the cost of comparable services other than in a case under this title...

16. SKF was retained with knowledge of the fact that the firm normally bills its clients, including bankruptcy clients, at its usual hourly rates. These rates are consistent with, or are lower than, the rates typically charged by other Delaware law firms that maintain bankruptcy practices.

CONCLUSION

WHEREFORE, SKF requests that this Court enter an Order (a) awarding SKF \$2,327.50 as compensation for services rendered and \$121.50 in reimbursement for expenses incurred during the Third Application Period, for an aggregate of \$2,449.00, (b) awarding on a final basis SKF \$9,641.50 as compensation for services rendered and \$2,487.63 in reimbursement for expenses incurred during the Final Application Period, for an aggregate of \$12,129.13 and (c) granting such other relief as the Court deems just and proper.

Dated: June 15, 2004

Respectfully submitted,

SMITH, KATZENSTEIN & FURLOW LLP

/s/ Kathleen M. Miller

Kathleen M. Miller (No. 2898)

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	:	Jointly Administered
Debtor.	:	
	:	
	:	
_____	:	

CERTIFICATION

I, Kathleen M. Miller, state:

1. I am a member of the law firm of Smith, Katzenstein & Furlow LLP ("SKF"), which maintains offices for the practice of law at 800 Delaware Avenue, Wilmington, DE 19801. I am admitted to practice law in The State of Delaware.
2. I am familiar with the work performed on behalf of L&H NV during its Chapter 11 case by the lawyers and other employees of SKF.
3. I have reviewed the requirements of Delaware Local Bankruptcy Rule 2016-2, and the Application and related attachments comply with that Order to the best of my knowledge, information and belief.

/s/ Kathleen M. Miller
Kathleen M. Miller

Executed on June 15, 2004