

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

IN RE: :  
: Chapter 11  
: LERNOUT & HAUSPIE SPEECH : Case No. 00-4397 (JHW)  
: PRODUCTS N.V., *et al.*, : through 00-4399 (JHW)  
: Debtors. : Jointly Administered  
:

Objections Due By: December 9, 2002 at 4:00 p.m.  
Hearing Date: To be Determined

NOTICE OF FINAL APPLICATION  
OF TOGUT, SEGAL & SEGAL LLP, AS SPECIAL  
BANKRUPTCY COUNSEL TO L&H HOLDINGS USA, INC.,  
FOR ALLOWANCE OF COMPENSATION FOR SERVICES  
RENDERED AND FOR REIMBURSEMENT OF EXPENSES INCURRED  
DURING THE PERIOD APRIL 9, 2001 THROUGH SEPTEMBER 23, 2002

TO: Debtors' Co-Counsel  
Robert J. Dehney, Esq.  
Morris, Nichols, Arsht & Tunnell

Debtors' Co-Counsel  
Luc A. Despins, Esq.  
Milbank, Tweed, Hadley & McCloy LLP

United States Trustee  
Mark S. Kenney, Esq.

Case Fee Auditor  
Stuart, Maus, Mitchell & James, Ltd.

All Other Notice Parties Pursuant  
to the Amended Administrative  
Order, dated April 10, 2001

PLEASE TAKE NOTICE that pursuant to the Order of this Court, dated August 13, 2002, confirming the First Amended Plan of Liquidation of L&H Holdings USA, Inc., Togut, Segal & Segal LLP ("TS&S") has filed with the Clerk of the United States Bankruptcy Court for the District of Delaware (the "Court") the **Final Application of Togut, Segal & Segal LLP, as Special Bankruptcy Counsel to L&H Holdings USA, Inc., for Allowance of Compensation for Services Rendered and for**

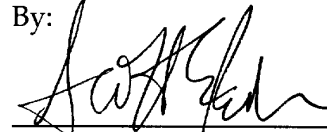
**Reimbursement of Expenses Incurred During the Period April 9, 2001 through  
September 23, 2002 (the "Application").**

**PLEASE TAKE FURTHER NOTICE** that any objection to the Application must be made in writing, filed with the Clerk of the Court, 824 Market Street, Fifth Floor, Wilmington, Delaware 19801, and served on the undersigned attorneys so as to be received by 4:00 p.m. on December 9, 2002.

DATED: New York, New York  
November 20, 2002

TOGUT, SEGAL & SEGAL LLP

By:



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ALBERT TOGUT (AT-9759)  
SCOTT E. RATNER (SER-0015)  
Members of the Firm  
One Penn Plaza, Suite 3335  
New York, New York 10119

Special Bankruptcy Counsel for  
L&H Holdings USA, Inc., Debtor  
and Debtor-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

IN RE: :  
: Chapter 11  
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LERNOUT & HAUSPIE SPEECH : Case Nos. 00-4397 (JHW)  
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Debtors. : Jointly Administered  
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**FINAL APPLICATION OF TOGUT, SEGAL & SEGAL LLP,  
AS SPECIAL BANKRUPTCY COUNSEL TO L&H HOLDINGS  
USA, INC., FOR ALLOWANCE OF COMPENSATION FOR SERVICES  
RENDERED AND FOR REIMBURSEMENT OF EXPENSES INCURRED  
DURING THE PERIOD APRIL 9, 2001 THROUGH SEPTEMBER 23, 2002**

Name of Applicant:	Togut, Segal & Segal LLP
Authorized to Provide Professional Services to:	L&H Holdings USA, Inc.
Date of Retention:	May 31, 2001 (nunc pro tunc to April 9, 2001)
Period for which compensation and reimbursement is sought:	April 9, 2001 through September 23, 2002
Amount of compensation sought as actual, reasonable and necessary:	\$201,530.50
Amount of expense reimbursement sought as actual, reasonable and necessary:	\$9,130.44

This is a **final fee application** filed in accordance with the Order of the Court, dated August 13, 2002, confirming the First Amended Plan of Liquidation of L&H Holdings USA, Inc.

**TOGUT, SEGAL SEGAL LLP**  
**SUMMARY OF INTERIM FEE APPLICATIONS**

Date Filed	Period Covered	Requested		Received*		Interim Allowance**	
		Fees	Expenses	Fees	Expenses	Fees	Expenses
8/14/01	4/9 - 4/30/02	\$50,830.50	\$1,106.16	\$50,296.00	\$1,106.16	\$50,296.00	\$1,106.16
8/14/01	5/1 - 5/31/01	29,990.00	3594.76	29990.00	3594.76	29990.00	3594.76
9/5/01	6/1 - 6/30/01	22,610.00	770.77	22304.50	706.27	22304.50	706.27
9/13/01	7/1 - 7/31/01	33,589.00	1010.80	33209.00	891.80	33209.00	891.80
10/23/01	8/1 - 8/31/01	9,436.00	276.46	9436.00	276.46	9436.00	276.46
11/26/01	9/1 - 9/30/01	6,236.50	414.55	6236.50	414.55	6236.50	414.55
1/15/02	10/1 - 10/31/01	4,027.50	128.49	4027.50	128.49	4027.50	128.49
1/11/02	11/1 - 11/30/01	4,252.50	325.43	4252.50	325.43	4252.50	325.43
1/23/02	12/1 - 12/31/01	5,662.50	232.94	4,530.00	232.94	PENDING	PENDING
3/5/02	1/1 - 1/31/02	6,139.50	423.86	4,911.60	423.86	PENDING	PENDING
5/3/02	2/1 - 3/31/02	10,757.00	201.96	8,605.60	201.96	PENDING	PENDING
7/16/02	4/1 - 5/31/02	13,152.00	475.94	10,521.60	475.94	PENDING	PENDING
8/13/02	6/1 - 7/31/02	2,888.50	188.83	2,310.80	188.83	PENDING	PENDING
10/9/02	8/1 - 9/23/02	3,179.00	162.99	PENDING	PENDING	PENDING	PENDING
<b>TOTALS</b>		<b>\$202,750.50</b>	<b>\$9,313.94</b>	<b>\$190,631.60</b>	<b>\$8,967.45</b>	<b>\$159,752.00</b>	<b>\$7,443.92</b>

\* Amounts actually received on account of monthly interim fee applications. The difference between the "requested" and "received" amounts for the months of April, June and July 2001 reflects voluntary reductions in response to the Fee Auditor's Report dated October 26, 2001.

\*\* The Court has entered Orders allowing, on an interim basis, compensation and expense reimbursement for the period April 9, 2001 through November 30, 2001 only. The Court has not yet held hearings to consider interim allowance of compensation and expense reimbursement for the periods subsequent to November 30, 2001.

**TOGUT, SEGAL & SEGAL LLP**

**SUMMARY OF PROFESSIONALS PROVIDING SERVICES  
FOR THE PERIOD APRIL 9, 2001 THROUGH SEPTEMBER 23, 2002**

<u>Timekeeper</u>	<u>Year Admitted</u>	<u>Year Fee Incurred</u>	<u>Hourly Rate</u>	<u>Hours Engaged</u>	<u>Total Value(s)</u>
Albert Togut <sup>1</sup>	1975	2001	\$580	45.8	\$ 26,564.00
		2002	625	2.1	1,312.50
Scott E. Ratner <sup>1</sup>	1987	2001	470	67.3	31,631.00
		2002	510	21.9	11,169.00
Kevin Toole <sup>2</sup>	1985	2001	355	122.1	43,345.50
		2002	395	53.6	21,072.00
Robert Raicht <sup>2</sup>	1987	2001	365	142.9	52,063.00
Gerard DiConza <sup>2</sup>	1994	2001	295	18.7	5,516.50
Christopher Lagow <sup>2</sup>	2001	2001	165	16.0	2,640.00
David Dunn <sup>3</sup>	N/A	2001	125	4.6	612.50
Walter Gouldsbury <sup>3</sup>	N/A	2001	125	3.2	400.00
Dawn Person <sup>4</sup>	N/A	2001	140	15.7	2,198.00
Wilfred Lancaster <sup>4</sup>	N/A	2001	120	8.4	1,008.00
		2002	135	14.5	1,957.50
Noelia Jaramillo <sup>4</sup>	N/A	2001	100	7.6	760.00
		2002	125	3.8	475.00
Alexandra Caskadon <sup>4</sup>	N/A	2002	100	0.3	30.00
<b>Totals</b>				<b>548.5</b>	<b>\$202,750.50</b>
<b>Less Voluntary Adjustments</b>				<b><u>(7.8)</u></b>	<b><u>(1,220.00)</u></b>
<b>Adjusted Totals<sup>5</sup></b>				<b><u>540.7</u></b>	<b><u>\$201,530.50</u></b>

1 Partner

2 Associate

3 Law Clerk

4 Paralegal

5 A detailed breakdown of the adjusted amounts appears on the next page.

**TOGUT, SEGAL & SEGAL LLP**

**FEE ADJUSTMENT SUMMARY**

<u>Timekeeper</u>	<u>Date</u>	<u>Time Waived</u>	<u>Fee Waived</u>	<u>Category</u>
Robert Raicht	4/18/01	1.3	\$474.50	Retention of Profs.
	6/15/01	.2	73.00	Asset Investigation
	6/19/01	<u>.1</u>	365.50	Asset Investigation
	Subtotal:	1.6	\$584.00	
Wilfred Lancaster	6/27/01		\$16.00	General <sup>1</sup>
	6/27/01	<u>.8</u>	<u>80.00</u>	General
	Subtotal:	.8	\$96.00	
Noelia Jaramillo	4/19/01	.6	\$60.00	General
	6/1/01	1.0	100.00	Plan & Disclosure Stmt.
	7/10/01	1.9	190.00	General
	7/13/01	<u>1.9</u>	<u>190.00</u>	General
	Subtotal:	5.4	\$540.00	
Grand Total:		<u>7.8</u>	<u>\$1,220.00</u>	

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<sup>1</sup> Entry reflects adjustment from \$96 to \$80 to correct an hourly rate discrepancy.

TOGUT, SEGAL & SEGAL LLP

SUMMARY OF COMPENSATION BY PROJECT CATEGORY

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
Accounts Receivable	0.8	\$ 464.00
Asset Investigations	242.5 / 242.2*	92,697.00 / 92,558.00*
Case Status/Strategy	62.4	23,818.50
Claims	27.4	10,932.00
Confirmation Matters	5.8	2,331.50
Conversion/Dismissal	6.1	2,524.50
Corporations (Partnership Interests)	5.0	2,350.00
Fee Applications/Fee Statements	86.3	25,351.00
Financial Issues (Non-Tax)	10.3	3,536.00
General	7.7 / 2.5*	952.00 / 416.00*
Other Litigation	17.4	7,571.00
Petition and Accompanying Documents	0.4	188.00
Plan and Disclosure Statement	30.9 / 29.9*	11,975.50 / 11,875.50*
Retention of Professionals	40.6 / 39.3*	16,190.50 / 15,716.00*
Sale of Property	4.1	1,588.50
Schedules	0.8	376.00
<b>Totals</b>	<b>548.5</b>	<b>202,750.50</b>
<b>Less:</b>		
<b>Voluntary Adjustments by TS&amp;S</b>	<b><u>(7.8)</u></b>	<b><u>(1,220.00)</u></b>
<b>Adjusted Totals</b>	<b><u>540.7</u></b>	<b><u>\$201,530.50</u></b>

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\* Reflects hours and fees after voluntary adjustment.

**TOGUT, SEGAL & SEGAL LLP**  
**SUMMARY OF DISBURSEMENTS**

<b>Expense Category</b>	<b>Description and Service Provider (if applicable)</b>	<b>Total Expenses</b>
Computer Assisted Legal Research	Westlaw/Lexis	\$4,357.61
Long Distance Facsimile (with rates)	59 pages at \$1.00 per page	59.00
Long Distance Telephone	MCI Wordcom	314.23
In-House Reproduction	21,809 copies at \$.15 per page	3,271.35
Outside Reproduction	N/A	-0-
Outside Research	N/A	-0-
Filing/Court Fees	N/A	-0-
Court Reporting	N/A	-0-
Local Travel	Car Service	243.00
Out-of-Town Travel	Air travel/Delta	386.00
Courier and Express Carriers	Federal Express	237.07
Postage	U.S.P.S.	393.63
Working Meals	N/A	52.05
<b>Total</b>		<b>\$9,313.94</b>
<b>Less: Voluntary Adjustment by TS&amp;S</b>	Local Travel	<u>(183.50)</u>
<b>Adjusted Total*</b>		<b><u>\$9,130.44</u></b>

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\* The adjusted total reflects local travel charges of \$64.50 in June 2001 and \$119.00 in July 2001 waived by TS&S.



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**FINAL APPLICATION OF TOGUT, SEGAL & SEGAL LLP,  
AS SPECIAL BANKRUPTCY COUNSEL TO L&H HOLDINGS  
USA, INC., FOR ALLOWANCE OF COMPENSATION FOR SERVICES  
RENDERED AND FOR REIMBURSEMENT OF EXPENSES INCURRED  
DURING THE PERIOD APRIL 9, 2001 THROUGH SEPTEMBER 23, 2002**

TO THE HONORABLE JUDITH H. WIZMUR,  
UNITED STATES BANKRUPTCY COURT JUDGE:

Togut, Segal & Segal LLP ("TS&S" or "Applicant"), special counsel to L&H Holdings USA, Inc. ("Holdings"), one of the above captioned debtors and debtors-in-possession (collectively, the "Debtors"), as and for its application pursuant to section 330 of title 11, United States Code (the "Bankruptcy Code") for final allowance of compensation for services rendered, and for reimbursement of expenses incurred, during the period April 9, 2001 through September 23, 2002 (the "Compensation Period"), respectfully represents:

I.

**INTRODUCTION**

1. By this application, TS&S seeks an allowance and award of (a) final compensation for professional services rendered by TS&S as special counsel to Holdings during the Compensation Period in the amount of \$201,530.50, and (b) final reimbursement of actual and necessary expenses incurred by TS&S during the Compensation Period in connection with the rendition of such professional services in the amount of \$9,130.44.

2. This Application is submitted pursuant to the terms of the Court's (a) Findings of Fact and Conclusions of Law Relating to, and Order under 11 U.S.C. § 1129 Confirming, First Amended Plan of Liquidation of L&H Holdings USA, Inc. under Chapter 11 of the Bankruptcy Code, dated August 13, 2002 (the "Confirmation Order"), and (b) Second Amended Administrative Order, dated July 17, 2001, establishing procedures for interim compensation and reimbursement of expenses of professionals pursuant to sections 105(a) and 331 of the Bankruptcy Code (the "Administrative Fee Order").

3. Other than as authorized under the Administrative Fee Order and as set forth in paragraph 4 below, Applicant has not received any payments or promises of 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 for the sharing of compensation to be received for the services rendered in these cases.

4. In accordance with the Administrative Fee Order, Applicant has previously filed its first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth,

eleventh, twelfth, thirteenth and fourteenth applications (collectively, the "Interim Fee Applications") for interim allowance of compensation and reimbursement of expenses in connection with services rendered to Holdings during the periods: (a) April 9, 2001 through April 30, 2001 in the amounts of \$50,830.50 and \$1,265.06 (as adjusted by TS&S to \$1,106.16), respectively; (b) May 1, 2001 through May 31, 2001 in the amounts of \$29,990.00 and \$3,644.06 (as adjusted by TS&S to \$3,594.76), respectively; (c) June 1, 2001 through June 30, 2001 in the amounts of \$22,610.00 and \$770.77, respectively; (d) July 1, 2001 through July 31, 2001 in the amounts of \$33,589.00 and \$1,010.80, respectively; (e) August 1, 2001 through August 31, 2001 in the amounts of \$9,436.00 and \$276.46, respectively; (f) September 1, 2001 through September 30, 2001 in the amounts of \$6,236.50 and \$414.55, respectively; (g) October 1, 2001 through October 31, 2001 in the amounts of \$4,027.50 and \$128.49, respectively; (h) November 1, 2001 through November 30, 2001 in the amounts of \$4,252.50 and \$325.43, respectively; (i) December 1, 2001 through December 31, 2001 in the amounts of \$5,662.50 and \$232.94, respectively; (j) January 1, 2002 through January 31, 2002 in the amounts of \$6,139.50 and \$423.86, respectively; (k) February 1, 2002 through March 31, 2002 in the amounts of \$10,757.00 and \$201.96, respectively; (l) April 1, 2002 through May 31, 2002 in the amounts of \$13,152.00 and \$475.94, respectively; (m) June 1, 2002 through July 31, 2002 in the amounts of \$2,888.50 and \$188.83, respectively; and (n) August 1, 2002 through September 23, 2002 in the amounts of \$3,179.00 and \$162.99, respectively.

5. As of the date hereof, TS&S has received full payment in respect of its Interim Fee Applications covering the period April 9, 2001 through November 30, 2001 and partial payment (80% of fees and 100% of disbursements) in respect of its Interim Fee Applications covering the period December 1, 2001 through July 31, 2002.

TS&S has not yet received any payment in respect of its Fourteenth Interim Fee Application for the period August 1, 2002 through September 23, 2002. The objection period for such Fee Application expired on October 31, and TS&S has recently filed and served a Certificate of No Objection in accordance with the Administrative Fee Order.

6. As stated in the Affidavit of Scott E. Ratner annexed hereto as Exhibit "1", all of the services for which compensation is sought herein were rendered for or on behalf of Holdings solely in connection with these cases.

## II.

### JURISDICTION AND VENUE

7. 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 is section 330 of the Bankruptcy Code and Rules 2002(a) and 2016 of the Federal Rules of Bankruptcy Procedure.

## III.

### BACKGROUND

8. On November 29, 2000 (the "Petition Date"), Holdings, together with Lernout & Hauspie Speech Products N.V. ("L&H") and Dictaphone Corporation ("Dictaphone"), filed voluntary petitions with this Court for relief under Chapter 11 of the Bankruptcy Code.

9. During their respective Chapter 11 cases, the Debtors continued in possession of their property and operated and managed their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

10. Pursuant to section 1102 of the Bankruptcy Code, the United States Trustee appointed two official committees of unsecured creditors to serve in the Debtors' cases: (a) a joint committee for Holding and L&H (the "Joint Committee"), which retained Akin, Gump, Strauss, Hauer & Feld LLP as its counsel; and (b) a committee for Dictaphone (the "Dictaphone Committee"), which retained Cadwalader Wickersham & Taft as its counsel.

11. The Debtors were world leaders in the development of technologies relating to computerized speech recognition, production and language translation.

12. Holdings is a Delaware corporation and a wholly-owned subsidiary of L&H, a Belgian corporation. On November 30, 2000, L&H commenced a concordat reorganization proceeding in Belgium, which was subsequently rejected by the Belgian Commercial Court of Ypres (the "Belgian Court") on December 8, 2000. L&H commenced another concordat reorganization proceeding in Belgium on December 27, 2000, which was granted by the Belgian Court on January 5, 2001 (the "Concordat Proceeding"). The Concordat Proceeding was subsequently terminated by the Belgian Court in October 2001 and, by judgment of the Belgian Court dated October 24, 2001, a bankruptcy liquidation proceeding for L&H was commenced (the "Belgian Liquidation Proceeding").

13. Dictaphone filed its third amended plan of reorganization on January 31, 2002 (the "Dictaphone Plan"). The Court confirmed the Dictaphone Plan on March 13, 2002, and the effective date of the Dictaphone Plan occurred on March 28, 2002.

14. On April 29, 2002, Holdings filed its first amended plan of liquidation under Chapter 11 of the Bankruptcy Code (the "Holdings Plan"), and the first amended disclosure statement (the "Holdings Disclosure Statement") related thereto.

15. The Holdings Disclosure Statement was approved by Court Order dated May 24, 2002. The Confirmation Order approving the Holdings Plan was entered on August 13, 2002, and the Plan became effective on September 23, 2002 (the "Effective Date").

#### IV.

#### **RETENTION OF TS&S**

16. Following the commencement of the Debtors' Chapter 11 cases, James and Janet Baker (collectively, the "Bakers") filed motions with the Court seeking (a) the appointment of a trustee in the Chapter 11 cases of L&H and Holdings (the "Trustee Motion"), and (b) the disqualification of Milbank, Tweed, Hadley & McCloy, LLP ("Milbank Tweed") as bankruptcy counsel to the Debtors (the "Disqualification Motion").

17. The Bakers are the former principal shareholders of Dragon Systems, Inc. ("Dragon") who received shares of L&H common stock in exchange for their stake in Dragon, which was merged with and into Holdings on or about June 7, 2000 upon consummation of that certain Agreement and Plan of Merger, dated March 27, 2000 (the "Merger Agreement"), entered into among Dragon, Holdings, L&H, the Bakers and others.

18. By Order dated April 3, 2001 (the "April 3 Order"), the Court denied both the Trustee Motion and the Disqualification Motion but directed Holdings

to retain special counsel to, among other things, evaluate and, if appropriate, prosecute and/or settle any claims Holdings may have against L&H, including, but not limited to, claims arising under or relating to the Merger Agreement.

19. In accordance with the April 3 Order, Holdings filed an application on May 2, 2001 seeking Court authorization to retain TS&S as its special bankruptcy counsel, nunc pro tunc to April 9, 2001. No objections to the application were filed by a party and, on May 31, 2001, the Court entered an Order authorizing Holdings to retain TS&S as its special bankruptcy counsel, nunc pro tunc to April 9, 2001 (the "Retention Order").

20. Pursuant to the Retention Order, TS&S was authorized (a) to evaluate and, if appropriate, prosecute and/or settle any claims Holdings may have against L&H, including, but not limited to, potential claims and causes of action arising under the Merger Agreement, and (b) to defend any claims that may be asserted by L&H against Holdings. A copy of the Retention Order is annexed hereto as Exhibit "2."

## V.

### SUMMARY OF SERVICES RENDERED

21. During the Compensation Period, TS&S rendered professional services to Holdings as necessary and appropriate consistent with the scope of its engagement pursuant to the Retention Order.

22. TS&S maintains computerized records reflecting the daily time expended by TS&S attorneys and paraprofessionals in the rendition of their professional services to Holdings. Preceding the time entries is a chart listing the names, billing rates and time spent by each attorney and paraprofessional rendering

services on behalf of Holdings. Such time records were made contemporaneously with the rendition of services by the person concerned and in the ordinary course of Applicant's practice, and are presented in a form that is in compliance with the Local Rules for the District of Delaware. A summary identifying each attorney or paraprofessional who rendered services to Holdings, their position with Applicant and time employed by Applicant, their year of admission (for attorneys), their billing rates and the amount of time spent by each in rendering services during the Compensation Period is annexed hereto as Exhibit "3."

23. TS&S 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 is annexed hereto as Exhibit "4."

24. TS&S respectfully submits that the professional services that it has rendered on behalf of Holdings were necessary and have benefited Holdings, its estate and creditors.

25. The following is a summary of services rendered during the Compensation Period and 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 "5." Rather, it is provided in order to highlight aspects of the services rendered to Holdings.

26. Additionally, for purposes of this Application, TS&S incorporates its previously filed Interim Fee Applications (together with all exhibits and supplements thereto) as though set forth in full herein.



**A. Background Due Diligence**

27. Upon its retention by Holdings, TS&S was required to devote significant time to an intensive review of various matters relevant to the engagement and the tasks TS&S was to perform consistent with the Court's directives in the April 3 Order. With the cases having been well underway in April 2001 when it was retained, TS&S was required to expeditiously identify and review a vast amount of information and otherwise familiarize itself with the complex background to the Debtors' Chapter 11 cases and the various relationships and transactions between them and Dragon.

28. To familiarize itself with the allegations made by the Bakers, TS&S thoroughly reviewed the Trustee Motion, the Disqualification Motion and the numerous ancillary pleadings filed either in support or opposition to same. TS&S also reviewed the transcripts of various Court hearings and depositions that had been conducted in connection with the Bakers' motions.

29. To fully understand the transactional history between the Debtors and Dragon and to identify all claims potentially assertable by Holdings against L&H, TS&S also conducted a comprehensive review of, among other things, the following:

- (i) the Merger Agreement and all ancillary documentation relating to the Merger;
- (ii) all SEC filings by L&H;
- (iii) domestic and foreign news articles;
- (iv) financial community analyst reports;
- (v) various corporate and financial documentation of L&H Dragon; and

- (vi) complaints and related pleadings filed by Stonington Partners in litigation seeking to rescind the Dictaphone merger with L&H.

30. In addition to its review and analysis of these materials, TS&S engaged in a continuing dialogue with representatives of the Debtors, the Bakers, the Joint Committee and the Dictaphone Committee concerning the subject matters of TS&S' retention. These communications involved extensive telephone conferences, correspondence and/or meetings with representatives of these parties.

**B. Legal Research**

31. As TS&S progressed in its factual investigation, it began to identify claims and causes of action potentially assertable by Holdings against L&H relating to the Merger and other transactions. The possible claims arising out of the Merger included breach of contract, misrepresentation and fraudulent inducement. TS&S conducted extensive legal research concerning the viability of such claims and related issues. A threshold issue that had to TS&S address was whether the claims of Dragon arising out of the Merger could be asserted by Holdings, as the successor to Dragon.

**C. Retention of Belgian Counsel**

32. As part of its April 3 Order, the Court also authorized Holdings to retain counsel in Belgium to represent its interests in L&H's Concordat Proceeding. At the request of Holdings, TS&S identified and contacted several Belgian law firms. In each instance, TS&S discussed the willingness and ability of the prospective firm to represent Holdings in connection with the Concordat Proceeding, and then reported the results of its discussions to Holdings.

33. As a result of these efforts, Holdings selected the firm of Afschrift Association d'Avocats, a well-regarded firm in Brussels, to serve as its Belgian counsel. TS&S prepared the application and other requisite pleadings for Holdings to obtain Court authority to retain the Afschrift firm.

**D. Tolling Agreement with L&H**

34. The Merger Agreement purportedly fixed a deadline of June 30, 2001 for Holdings, as successor to Dragon, to assert any claims arising out of, or related to, the Merger. TS&S reviewed the relevant provisions of the Merger Agreement relating to the deadline and conducted legal research into whether the deadline was tolled by operation of section 108 of the Bankruptcy Code. Although TS&S determined that section 108 likely tolled any such deadline under the Merger Agreement, it determined to engage in a dialogue with counsel for L&H to obtain a consensual tolling of the deadline for asserting Merger-related claims.

35. In this regard, TS&S prepared a proposed letter agreement to be entered into between L&H and Holdings tolling the deadline, and negotiated the final form of the letter agreement with L&H's counsel. By virtue of this agreement, the deadline under the Merger Agreement was initially extended from June 30, 2001 to September 7, 2001. Thereafter, TS&S obtained periodic extensions from time to time, with the last extension expiring on the earlier of the Effective Date of the Holdings Plan or October 15, 2002.

36. The agreements with L&H extending the deadline allowed TS&S to continue its investigation and formulation of possible claims and causes of action relating to the Merger without risk of Holdings losing the right to assert them or having to prematurely plead them.

**E. The Belgian Proceedings**

37. During its Concordat Proceeding, L&H filed a proposed Recovery and Payment Plan (the "RPP"). TS&S reviewed the RPP to determine how it proposed to treat the possible intercompany claims among the various Debtors, including potential Merger-related claims.

38. Previously, TS&S had engaged in discussions with the Afschrift firm regarding the claims process in the Concordat Proceeding, including the preparation and filing of a protective claim to be filed by Holdings (the "Provisional Claim"). At the direction of Holdings and in close consultation with the Afschrift firm, TS&S prepared the Provisional Claim and arranged for its filing in the Concordat Proceeding.

39. The Belgian Court held a hearing on June 5, 2001 at which time creditors voted on acceptance or rejection of the RPP. TS&S coordinated with the Afschrift firm to ensure that Holdings' interests were represented at the hearing and that the Provisional Claim was voted in favor of the RPP. Notwithstanding that a clear majority of creditors voted to accept the RPP, the Belgian Court rejected the RPP by judgment dated October 24, 2001 and terminated the Concordat Proceeding. Thereafter, L&H commenced the Belgian Liquidation Proceeding.

40. Upon commencement of the Belgian Liquidation Proceeding, the Belgian Court set November 21, 2001 as the last date for creditors to file claims against L&H. TS&S consulted with Afschrift concerning the filing of a claim by Holdings in the Belgian Liquidation Proceeding. TS&S confirmed with Afschrift that the Provisional Claim would not be deemed a filed claim in the Belgian Liquidation Proceeding.

41. Accordingly, TS&S prepared a new claim in consultation with Holdings' management (the "Belgian Claim") and arranged for Afschrift to timely file the claim in the Belgian Court on behalf of Holdings. The Belgian Claim asserted a "provisional" claim by Holdings against L&H for (i) rights, claims and causes of action relating to the Merger Agreement, and (ii) claims arising out of intercompany relationships, transactions and accounts.

**F. Claims Determination and Disposition**

42. In the Belgian Liquidation Proceeding, the Curators filed an objection to the Belgian Claim and requested that Holdings provide documentation and memoranda supporting the factual and legal bases of the claims asserted by Holdings against L&H.

43. Subsequently, the Curators, the Joint Committee and the management of Holdings engaged in negotiations to resolve and settle all intercompany claims by and between L&H and Holdings, including claims and causes of action potentially assertable by Holdings against L&H arising out of, or relating to, the Merger Agreement. In light of the continuing negotiations regarding settlement of all such claims, it was determined that Holdings should request an adjournment of the objection process relating to the Belgian Claim. TS&S consulted with Afschrift and obtained the desired adjournment.

44. During the Compensation Period, TS&S also reviewed pleadings filed in the Chapter 11 cases to assess their impact, if any, on the claims potentially assertable by Holdings against L&H (as well as those potentially assertable by L&H against Holdings). TS&S reviewed drafts of the Holdings Disclosure Statement and the Holdings Plan, and identified issues relevant to the potential claims of Holdings

against L&H. TS&S consulted with the Debtors' bankruptcy counsel, Milbank Tweed, regarding the treatment of intercompany claims under the Holdings Plan and possible revisions to the Holdings Disclosure Statement to clarify certain points relating to the intercompany claims and their disposition.

45. TS&S also had extensive discussions with Holdings' management regarding the proposed treatment of the Holdings claims against L&H under the Holdings Plan and the decision of Holdings to enter into a settlement agreement with the Curators to resolve all intercompany claims between the Debtors, including possible claims arising under the Merger Agreement. TS&S reviewed the proposed terms of the settlement with Holdings' management and discussed the implications of same on Holdings' creditors. TS&S also prepared a summary memorandum and related report discussing the nature, extent and viability of the various claims and causes of potentially assertable by Holdings against L&H arising under, or relating to, the Merger.

46. Ultimately, Holdings determined to enter into a settlement that provided for the release and waiver of virtually all intercompany claims (L&H was to retain certain claims against Holdings that it had obtained by assignment from the Bakers as part of L&H's settlement of the Bakers' claims in the Chapter 11 cases). The settlement was presented to both the Bankruptcy Court and the Belgian Court for approval. TS&S monitored this approval process to ensure that Holdings' rights were properly represented. The settlement was approved by both courts and was implemented as of the Effective Date.

## VI.

### APPLICABLE AUTHORITY

#### A. Statutory Basis For Awarding Fees

47. The services rendered by TS&S to Holdings during the Compensation Period were performed efficiently, effectively and economically, and have benefited Holdings and its estate.

48. Section 330(a)(1) of the Bankruptcy Code provides, in pertinent part, that the Court may award 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.

49. The perspective from which an application for an allowance of compensation should be viewed in a reorganization case was aptly stated by Congressman Edwards on the floor of the House of Representatives on September 28, 1978, when he made the following statement in relation to section 330 of the Bankruptcy Code:

[B]ankruptcy legal services are entitled to command the same competency of counsel as other cases. In that light, the policy of this section is to compensate attorneys and other professionals serving in a case under title 11 at the same rate as the attorney or other professional would be compensated for performing comparable services other than in a case under title 11. Contrary language in the Senate report accompanying S.2266 is rejected, and Massachusetts Mutual Life Insurance Company v. Brock, 405 F.2d 429, 432 (5th Cir. 1968) is overruled. Notions of economy of the estate in fixing fees are outdated and have no place in a bankruptcy code.

124 Cong. Rec. H11,092 (daily ed. Sept. 28, 1978) (emphasis added). See also In re McCombs, 751 F.2d 286 (8th Cir. 1984); In re Drexel Burnham Lambert Group Inc., 133 B.R. 13 (Bankr. S.D.N.Y. 1991); In re Carter, 101 B.R. 170 (Bankr. D.S.D. 1989); In re Public Service Co. of New Hampshire, 93 B.R. 823, 830 (Bankr. D.N.H. 1988); In re White Motor Credit Corp., 50 B.R. 885 (Bankr. N.D. Ohio 1985).

**B. Factors To Be Considered In Awarding Fees**

50. 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 (5th



Cir. 1977), reh'g denied, 547 F.2d 573, cert. denied, 431 U.S. 904, which standards have been adopted by most courts. TS&S respectfully submits that a consideration of these factors should result in this Court's allowance of the full compensation sought.

- The Time and Labor Required. The professional services rendered by TS&S on behalf of Holdings have required the continuous expenditure of time and effort. The services that have been rendered throughout TS&S' retention in these Chapter 11 cases required a high degree of professional competence and expertise in order to be administered with skill and dispatch.
- The Novelty and Difficulty of Questions. In these cases, Applicant has been required to analyze a complex corporate transaction and enterprise involving cross-border issues of a highly technical and sophisticated nature. A working understanding of the financial condition and corporate structure of the Debtors and the terms and conditions of the Merger Agreement was critical to TS&S' ability to provide effective representation to Holdings.
- The Skill Requisite to Perform the Legal Services Properly. Applicant believes that its recognized expertise in the area of corporate reorganization, its ability to draw from highly experienced professionals, and its creative approach to the resolution of issues contributed to the maximization of the value of Holdings' estate.
- The Preclusion of Other Employment by Applicant Due to Acceptance of the Case. Due to the size of Applicant, its representation of Holdings required a substantial dedication of resources but did not preclude its acceptance of new clients.
- The Customary Fee. The fee sought herein is based upon TS&S' normal hourly rates for services of this kind. TS&S respectfully submits that the fee sought herein is not unusual given the magnitude and complexity of these cases and the time

expended in attending to its representation of Holdings and is commensurate with fees TS&S has been awarded in other cases, as well as with fees charged by other attorneys of comparable experience.

- Time Limitations Imposed by Client or Other Circumstances. As indicated, Applicant was required to address various legal and factual issues of a complex nature involving Holdings and these Chapter 11 cases and to become familiar with a substantial amount of diverse information in a short period of time.
- The Amount Involved and Results Obtained. The efforts of TS&S during the cases assisted Holdings in (a) evaluating the viability of claims and causes of action potentially assertable against L&H and (b) determining the ultimate disposition of such claims and causes of action.
- The Experience, Reputation and Ability of the Attorneys. TS&S has a sophisticated insolvency practice and is playing and has played a major role in representing debtors-in-possession, bankruptcy trustees, official committees and other parties in numerous bankruptcy cases of national import.
- The "Undesirability" of the Case. These Chapter 11 cases were not undesirable.
- Nature and Length of Professional Relationship. TS&S was retained by Holdings on April 9, 2001. The Retention Order authorized Holdings' employment and retention of TS&S, nunc pro tunc to April 9, 2001. TS&S rendered services to Holdings throughout the Compensation Period, as necessary and appropriate.

51. There was a total of 475.4 hours spent by TS&S professionals and 65.3 hours by paraprofessionals during the Compensation Period. The work involved was carefully allocated and assigned in light of the experience and expertise required for a particular task.

52. As shown by this Application and supporting documents, Applicant rendered professional services to Holdings in the most economically efficient manner practical and without unnecessary duplication of tasks and work performed. Attached hereto as Exhibit "3" is a schedule of the hours expended by attorneys and paraprofessionals of TS&S during the Compensation Period, their normal hourly rates, and the value of their services.

53. TS&S incurred actual out-of-pocket expenses in connection with the rendition of professional services to Holdings in the aggregate amount of \$9,130.44 for which it requests final reimbursement at this time. These disbursements and expenses have been incurred in accordance with Applicant's normal practice of charging clients for expenses clearly related to and required by particular matters. Applicant has endeavored to minimize these expenses to the fullest extent possible. In accordance with section 330 of the Bankruptcy Code and with the U.S. Trustee Guidelines, TS&S is seeking reimbursement only for the actual costs of expenses incurred.

54. TS&S believes that it is appropriate to charge each client only for the services actually used in performing the legal services for it. TS&S charges Holdings \$.15 per page for internal duplicating and \$1.00 per page for outgoing long distance facsimile transmissions. TS&S does not charge for local outgoing or incoming facsimile transmissions.

55. No agreement or understanding exists between TS&S and any other person for the sharing of any compensation to be received for professional services rendered or to be rendered in connection with these cases.

56. No prior application has been made in this or any other court for the relief requested herein with respect to the Compensation Period, except for the previously-filed Interim Fee Applications and the first, second, third and fourth summary fee application requests.

#### VIII.

#### NOTICE

57. In accordance with the Administrative Fee Order, a copy of this Application, with Exhibits, has been provided to: (i) co-counsel to the Debtors; (ii) co-counsel for General Electric Capital Corporation; (iii) co-counsel to the Joint Committee; (iv) co-counsel to the Dictaphone Committee; (v) co-counsel to the post-petition lender Ableco; (vi) the fee auditor, Stuart, Maue, Mitchell & James, Ltd.; and (vii) the United States Trustee. TS&S submits that no further notice is required.

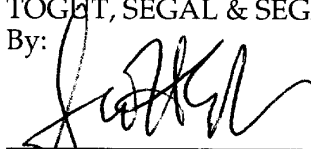
**[concluded on the following page]**

**WHEREFORE**, TS&S respectfully requests that this Court enter an order (i) approving and awarding, on a final basis, (a) compensation of \$201,530.50 for professional services rendered to Holdings during the period April 9, 2001 through and including September 23, 2002 and (b) reimbursement of out-of-pocket expenses actually incurred during the period April 9, 2001 through and including September 23, 2002 in connection with such services in the amount of \$9,130.44, and (ii) granting such other relief as the Court deems just and proper.

DATED New York, New York  
November 20, 2002

TOGUT, SEGAL & SEGAL LLP

By:



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ALBERT TOGUT (AT-9759)  
SCOTT E. RATNER (SER-0015)  
Members of the Firm  
One Penn Plaza  
New York, New York 10119  
(212) 594-5000

**EXHIBIT "1"**

**AFFIDAVIT OF SCOTT E. RATNER**

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

IN RE:	:	Chapter 11
	:	
LERNOUT & HAUSPIE SPEECH	:	Case Nos. 00-4397 (JHW)
PRODUCTS N.V., <i>et al.</i> ,	:	through 00-4399 (JHW)
	:	
Debtors.	:	(Jointly Administered)
	:	

STATE OF NEW YORK    )  
                                  ) ss:  
COUNTY OF NEW YORK )

SCOTT E. RATNER, being duly sworn, deposes and says:

1. I am a member of the firm of Togut, Segal & Segal LLP ("TS&S"), which firm maintains offices for the practice of law at One Penn Plaza, New York, New York 10119. By Order of the Court dated May 31, 2001, L&H Holdings USA, Inc. ("Holdings"), one of the debtors and debtors-in-possession in the above-captioned Chapter 11 cases (collectively, the "Debtors"), was authorized to retain TS&S as its special bankruptcy counsel, nunc pro tunc to April 9, 2001.

2. This affidavit is submitted pursuant to Bankruptcy Rule 2016(a) and Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware ("Local Rule 2016-2") in support of TS&S's application for a final allowance of compensation for services rendered to Holdings and reimbursement of expenses incurred during the period April 9, 2001 through and including September 23, 2002 (the "Application"). To the best of my knowledge and belief, the Application complies with the requirements of Bankruptcy Rule 2016 and Local Rule 2016-2.

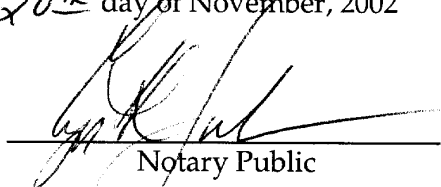
3. All services for which compensation is requested by TS&S were professional services performed for, and on behalf of, Holdings and not on behalf of any other person.

4. In accordance with section 155 of Title 18 of the United States Code, neither I nor any member or associate of my firm has entered into any agreement, express or implied, with any other party-in-interest for the purpose of fixing the amount of any of the fees or other compensation to be allowed or paid from the Debtors' estates.

5. In accordance with section 504 of the Bankruptcy Code, no agreement or understanding exists between me, my firm, or any member or associate thereof, on the one hand, and any other person, on the other hand, for the division of any compensation my firm may receive for services rendered in connection with these cases, nor will any division of fees prohibited by section 504 of the Bankruptcy Code be made by me or any partner or associate of my firm.

  
SCOTT E. RATNER

Sworn to before me this  
20<sup>th</sup> day of November, 2002

  
Notary Public

**CYNTHIA JULIANO**  
NOTARY PUBLIC, State of New York  
No. 01JU4947981  
Qualified in Nassau County  
Commission Expires 3/6/2003



**EXHIBIT "2"**

**RETENTION ORDER**

# DUPLICATE ORIGINAL

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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

Debtors

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Case No. 00-4397 (JHW)  
through 00-4399 (JHW)  
Jointly Administered  
Chapter 11

**ORDER AUTHORIZING EMPLOYMENT OF TOGUT,  
SEGAL & SEGAL LLP AS SPECIAL BANKRUPTCY  
COUNSEL FOR L&H HOLDINGS USA, INC. UNDER  
11 U.S.C. §327(e) AND FED. R. BANKR. P. 2014, 2016 AND 5002**

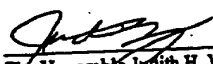
In furtherance of this Court's Order dated April 3, 2001, which denied motions for the appointment of a Chapter 11 Trustee and to disqualify the Debtors' general bankruptcy counsel, and upon the application (the "Application") of L&H Holdings USA, Inc. ("Holdings"), one of the debtors and debtors-in-possession herein, for the entry of an order pursuant to section 327(e) of the title 11 of the United States Code authorizing the employment of Togut, Segal & Segal LLP ("TS&S"), as special bankruptcy counsel to Holdings in its Chapter 11 case; and upon the affidavit of Albert Togut, the senior member of TS&S, annexed to the Application; and the Court being satisfied that TS&S represents no interest adverse to the Debtor and its estate in connection with the matters upon which it is to be engaged; and it appearing that TS&S is "disinterested" within the meaning of section 101(14) of the Bankruptcy Code, and that employment of TS&S is necessary and in the best interests of the Debtor and its estate; and notice of the Application and this Order having been given to (i) general bankruptcy counsel to the Debtors; (ii) counsel to the Joint Committee of Unsecured Creditors of Lernout & Hauspie

Speech Products N.V. and Holdings; (iii) proposed counsel the Committee of Unsecured Creditors of Dictaphone Corporation; (iv) the United States Trustee for this district; and (v) any other party which has filed a notice of appearance in these cases; and it appearing that no other or further notice thereof is required; and sufficient cause appearing therefor, it is

ORDERED, the Application be, and it hereby is, granted in all respects; and it is further

ORDERED, that Holdings be, and hereby is, authorized to employ TS&S, effective as of April 9, 2001, as special bankruptcy counsel to represent it in its Chapter 11 case under a general retainer to (A) evaluate and, if appropriate, prosecute and/or settle any claims Holdings may have against Lernout & Hauspie Speech Products N.V. ("L&H"), including, but not limited to, Claim Number 270/01 filed by Holdings against L&H in the Ieper Commercial Court in Belgium on February 8, 2001 which asserts potential causes of action for damages arising out of the merger between L&H and Dragon Systems, Inc. in or about June 2000 (and any claim in the United States Bankruptcy Court for the District of Delaware alleging similar theories of liability) and (B) any defense of any claims asserted by L&H against Holdings, with compensation to be paid in accordance with the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the 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 April 10, 2001 (D.I. 552).

DATED: Wilmington, Delaware  
May 31, 2001

  
The Honorable Judith H. Wizmur,  
United States Bankruptcy Judge

**EXHIBIT "3"**

**SUMMARY OF PROFESSIONALS  
PROVIDING SERVICES AND SUMMARY  
OF COMPENSATION BY PROJECT CATEGORY**

EXHIBIT "3"

TOGUT, SEGAL & SEGAL LLP

SUMMARY OF PROFESSIONALS PROVIDING SERVICES  
FOR THE PERIOD APRIL 9, 2001 THROUGH SEPTEMBER 23, 2002

<u>Timekeeper</u>	<u>Year Admitted</u>	<u>Year Fee Incurred</u>	<u>Hourly Rate</u>	<u>Hours Engaged</u>	<u>Total Value(s)</u>
Albert Togut <sup>1</sup>	1975	2001 2002	\$580 625	45.8 2.1	\$ 26,564.00 1,312.50
Scott E. Ratner <sup>1</sup>	1987	2001 2002	470 510	67.3 21.9	31,631.00 11,169.00
Kevin Toole <sup>2</sup>	1985	2001 2002	355 395	122.1 53.6	43,345.50 21,072.00
Robert Raicht <sup>2</sup>	1987	2001	365	142.9	52,063.00
Gerard DiConza <sup>2</sup>	1994	2001	295	18.7	5,516.50
Christopher Lagow <sup>2</sup>	2001	2001	165	16.0	2,640.00
David Dunn <sup>3</sup>	N/A	2001	125	4.6	612.50
Walter Gouldsbury <sup>3</sup>	N/A	2001	125	3.2	400.00
Dawn Person <sup>4</sup>	N/A	2001	140	15.7	2,198.00
Wilfred Lancaster <sup>4</sup>	N/A	2001 2002	120 135	8.4 14.5	1,008.00 1,957.50
Noelia Jaramillo <sup>4</sup>	N/A	2001 2002	100 125	7.6 3.8	760.00 475.00
Alexandra Caskadon <sup>4</sup>	N/A	2002	100	0.3	30.00
<b>Totals</b>				<b>548.5</b>	<b>\$202,750.50</b>
<b>Less Voluntary Adjustments</b>				<b><u>(7.8)</u></b>	<b><u>(1,220.00)</u></b>
<b>Adjusted Totals<sup>5</sup></b>				<b><u>540.7</u></b>	<b><u>\$201,530.50</u></b>

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1 Partner

2 Associate

3 Law Clerk

4 Paralegal

5 A detailed breakdown of the adjusted amounts appears on the next page.

TOGUT, SEGAL & SEGAL LLP

FEE ADJUSTMENT SUMMARY

<u>Timekeeper</u>	<u>Date</u>	<u>Time Waived</u>	<u>Fee Waived</u>	<u>Category</u>
Robert Raicht	4/18/01	1.3	\$474.50	Retention of Profs.
	6/15/01	.2	73.00	Asset Investigation
	6/19/01	<u>.1</u>	365.50	Asset Investigation
	Subtotal:	1.6	\$584.00	
Wilfred Lancaster	6/27/01		\$16.00	General <sup>1</sup>
	6/27/01	<u>.8</u>	<u>80.00</u>	General
	Subtotal:	.8	\$96.00	
Noelia Jaramillo	4/19/01	.6	\$60.00	General
	6/1/01	1.0	100.00	Plan & Disclosure Stmt.
	7/10/01	1.9	190.00	General
	7/13/01	<u>1.9</u>	<u>190.00</u>	General
	Subtotal:	5.4	\$540.00	
	Grand Total:	<u>7.8</u>	<u>\$1,220.00</u>	

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<sup>1</sup> Entry reflects adjustment from \$96 to \$80 to correct an hourly rate discrepancy.

**TOGUT, SEGAL & SEGAL LLP**

**SUMMARY OF COMPENSATION BY PROJECT CATEGORY**

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
Accounts Receivable	0.8	\$ 464.00
Asset Investigations	242.5 / 242.2*	92,697.00 / 92,558.00*
Case Status/Strategy	62.4	23,818.50
Claims	27.4	10,932.00
Confirmation Matters	5.8	2,331.50
Conversion/Dismissal	6.1	2,524.50
Corporations (Partnership Interests)	5.0	2,350.00
Fee Applications/Fee Statements	86.3	25,351.00
Financial Issues (Non-Tax)	10.3	3,536.00
General	7.7 / 2.5*	952.00 / 416.00*
Other Litigation	17.4	7,571.00
Petition and Accompanying Documents	0.4	188.00
Plan and Disclosure Statement	30.9 / 29.9*	11,975.50 / 11,875.50*
Retention of Professionals	40.6 / 39.3*	16,190.50 / 15,716.00*
Sale of Property	4.1	1,588.50
Schedules	0.8	376.00
<b>Totals</b>	<b>548.5</b>	<b>202,750.50</b>
<b>Less: Voluntary Adjustments by TS&amp;S</b>	<b>(7.8)</b>	<b>(1,220.00)</b>
<b>Adjusted Totals</b>	<b><u>540.7</u></b>	<b><u>\$201,530.50</u></b>

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\* Reflects hours and fees after voluntary adjustment.

**EXHIBIT "4"**

**SUMMARY OF DISBURSEMENTS**



TOGUT, SEGAL & SEGAL LLP  
SUMMARY OF DISBURSEMENTS

<b>Expense Category</b>	<b>Description and Service Provider (if applicable)</b>	<b>Total Expenses</b>
Computer Assisted Legal Research	Westlaw/Lexis	\$4,357.61
Long Distance Facsimile (with rates)	59 pages at \$1.00 per page	59.00
Long Distance Telephone	MCI Wordcom	314.23
In-House Reproduction	21,809 copies at \$.15 per page	3,271.35
Outside Reproduction	N/A	-0-
Outside Research	N/A	-0-
Filing/Court Fees	N/A	-0-
Court Reporting	N/A	-0-
Local Travel	Car Service	243.00
Out-of-Town Travel	Air travel/Delta	386.00
Courier and Express Carriers	Federal Express	237.07
Postage	U.S.P.S.	393.63
Working Meals	N/A	52.05
<b>Total</b>		<b>\$9,313.94</b>
<b>Less: Voluntary Adjustment by TS&amp;S</b>	Local Travel	<u>(183.50)</u>
<b>Adjusted Total*</b>		<b><u>\$9,130.44</u></b>

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\* The adjusted total reflects local travel charges of \$64.50 in June 2001 and \$119.00 in July 2001 waived by TS&S.