

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

----- x
In re: : Chapter 11
: :
LTV STEEL COMPANY, INC., : Case No. 00-43866 (WTB)
a New Jersey Corporation, et al., : :
: (Jointly Administered)
: :
Debtors. : :
: :
----- x

NINTH INTERIM AND FINAL APPLICATION OF DAVIS POLK & WARDWELL,
SPECIAL COUNSEL TO DEBTORS AND DEBTORS-IN-POSSESSION, FOR
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES

DAVIS POLK & WARDWELL

450 Lexington Avenue
New York, New York 10017
Tel.: (212) 450-4000
Special Counsel for Debtors and
Debtors-in-Possession

March 18, 2004

Name of Applicant: DAVIS POLK & WARDWELL

Authorized to Provide Professional Services as: Special Counsel to Debtors and Debtors-in-Possession

Date of Retention: Order entered February 20, 2001 (nunc pro tunc to December 29, 2000)

Period for which compensation and reimbursement is sought: (September 01, 2003 through March 22, 2004)

Amount of Compensation sought as actual, reasonable and necessary: \$2,784,439.25*

Amount of Expense Reimbursement sought as actual, reasonable and necessary: \$ 315,146.27†

This is a(n) : Interim Application Final Application

* This amount reflects a reduction in fees of \$14,200.50 as per agreements with the Official Committee of Noteholders and/or the U.S. Trustee to resolve certain objections raised with respect to DP&W's First Interim Fee Application.

† This amount reflects a reduction in expenses of \$526.67 as per an agreement with the U.S. Trustee to resolve certain objections raised with respect to DP&W's First Interim Fee Application.

Disclosure of prior requests and payments:

DATE SUBMITTED	PERIOD COVERED	REQUESTED FEES/EXPENSES	PAYMENTS	AMOUNT HELD BACK
	Pre- & Post-petition Retainer (12/21/2000)		\$750,000	
04/05/2001	12/29/2000 - 1/31/2001	\$270,338.02	\$257,956.52	\$12,381.50
05/14/2001	02/01/2001 - 02/28/2001	\$197,308.81	\$190,075.07	\$7,233.74
05/17/2001	03/01/2001 - 03/31/2001	\$132,127.55	\$129,547.04	\$2,580.51
05/31/2001	04/01/2001 - 04/30/2001	\$150,490.80	\$146,701.59	\$3,789.21
06/14/2001 ^{1/}	12/29/2001 - 04/30/2001	\$735,538.01		n/a
07/13/2001	05/01/2001 - 05/31/2001	\$106,543.50	\$ 96,759.83	\$9,783.67
08/06/2001	06/01/2001 - 06/30/2001	\$ 89,857.04	\$ 80,073.37	\$9,783.67
10/08/2001	07/01/2001 - 07/31/2001	\$184,044.04	\$174,260.37	\$9,783.67
10/08/2001	08/01/2001 - 08/31/2001	\$326,065.36	\$316,281.69	\$9,783.67
10/15/2001 ^{2/}	05/01/2001 - 08/31/2001	\$706,509.94	Pending	n/a

^{1/}This application was the First Interim Application of Davis Polk & Wardwell for Allowance of Interim Compensation and Reimbursement of Expenses. The amount of compensation and reimbursement requested therein was modified by agreement as set forth below. By Order dated, December 7, 2001, this Court approved of uncontested fees of \$662,354.00 and uncontested expenses of \$24,001.06 from the First Interim Application. Additional fees of \$33,133.50 and expenses of \$15,049.45 were subject to objection and further order of the Court. These additional fees were approved by this Court by Order dated August 21, 2002.

^{2/}This application was the Second Interim Application of Davis Polk & Wardwell for Allowance of Interim Compensation and Reimbursement of Expenses. The amount of compensation and reimbursement requested therein was modified by agreement as set forth below. By Order dated, December 7, 2001, this Court approved of uncontested fees of \$640,682.38 and uncontested expenses of \$34,418.25 from the Second Interim Application. (...continued)

DATE SUBMITTED	PERIOD COVERED	REQUESTED FEES/EXPENSES	PAYMENTS	AMOUNT HELD BACK
11/16/2001	09/01/2001 - 09/30/2001	\$254,934.10	\$206,582.45	\$48,351.65
11/20/2001	10/01/2001 - 10/31/2001	\$539,755.03	\$415,818.24	\$123,936.79
01/07/2002	11/01/2001 - 11/30/2001	\$ 68,449.38	\$55,768.46	\$12,680.92
01/24/2002	12/01/2001 - 12/31/2001	\$ 11,769.60	9,643.00	\$2,126.60
02/14/2002 ^{3/}	09/01/2001 - 12/31/2001	\$ 874,908.11	Pending	n/a
DATE SUBMITTED	PERIOD COVERED	REQUESTED FEES/EXPENSES	PAYMENTS	AMOUNT HELD BACK
03/06/2002	01/01/2002 - 01/31/2002	\$19,024.70	\$16,434.20	\$2,590.50
04/26/2002	02/01/2002 - 02/28/2002	\$18,953.14	\$15,752.74	\$3,200.40
05/10/2002	03/01/2002 - 03/31/2002	\$9,287.79	\$7,713.89	\$1,573.90
06/13/2002	04/01/2002 - 04/30/2002	\$7,806.34	\$6,580.89	\$1,225.45
06/14/2002 ^{4/}	01/01/2002 - 04/30/2002	\$55,071.97	Pending	n/a
10/15/2002	05/01/2002 - 05/31/2002	\$3,861.87	\$3,861.87	n/a
10/15/2002	06/01/2002 - 06/30/2002	\$4,035.79	\$4,035.79	n/a
10/15/2002	07/01/2002 - 07/31/2002	\$18,645.31	\$18,645.31	n/a
10/15/2002	08/01/2002 - 08/31/2002	\$65,426.54	\$65,426.54	n/a
10/15/2002 ^{5/}	05/01/2002 - 08/31/2002	\$91,969.51	\$91,969.51	n/a
02/18/2003	09/01/2002 - 09/31/2002	\$2,915.74	\$2,915.74	n/a

(continued...)

Additional fees of \$14,037.87 and expenses of \$17,079.44 are subject to objection and shall remain subject to further order of the Court.

^{3/}This application was the Third Interim Application of Davis Polk & Wardwell for Allowance of Interim Compensation and Reimbursement of Expenses, the approval of which remains pending.

^{4/}This application was the Fourth Interim Application of Davis Polk & Wardwell for Allowance of Interim Compensation and Reimbursement of Expenses, the approval of which remains pending.

^{5/}This application was the Fifth Interim Application of Davis Polk & Wardwell for the Allowance of Interim Compensation and Reimbursement of Expenses. By Order, dated, November 27, 2002, this Court approved the fees and expenses requested in the Fifth Interim Application in the total amount of \$91,969.51.

DATE SUBMITTED	PERIOD COVERED	REQUESTED FEES/EXPENSES	PAYMENTS	AMOUNT HELD BACK
02/18/2003	10/01/2002 - 10/31/2002	\$27,542.18	\$27,542.18	n/a
02/18/2003	11/01/2002 - 11/30/2002	\$87,875.54	\$87,875.54	n/a
02/18/2003	12/01/2002 - 12/31/2002	\$182,155.77	\$182,155.77	n/a
02/18/2003 ^{6/}	09/01/2002 - 12/31/2002	\$300,489.23	\$300,489.23	n/a
06/16/2003	01/01/2003 - 01/31/2003	\$114,492.72	\$114,492.72	n/a
06/16/2003	02/01/2003 - 02/28/2003	\$8,270.06	\$8,270.06	n/a
06/16/2003	03/01/2003 - 03/31/2003	\$13,355.19	\$13,355.19	n/a
06/16/2003	04/01/2003 - 04/30/2003	\$11,179.05	\$11,179.05	n/a
06/16/2003 ^{7/}	01/01/2003 - 04/30/2003	\$147,297.02	\$147,297.02	n/a
10/28/2003	05/01/2003 - 05/31/2003	\$ 1,804.19	\$ 1,804.19	n/a
10/28/2003	06/01/2003 - 06/30/2003	\$ 3,123.15	\$ 3,123.15	n/a
10/28/2003	07/01/2003 - 07/31/2003	\$ 78,289.48	\$ 78,289.48	n/a
10/28/2003	08/01/2003 - 08/31/2003	\$ 12,100.66	\$ 12,100.66	n/a
10/28/2003 ^{8/}	05/01/2003 - 08/31/2003	\$ 95,317.48	\$ 95,317.48	n/a
03/22/2004	09/01/2003 - 02/29/2004	\$ 92,484.25	\$ Pending	n/a

^{6/}This application was the Sixth Interim Application of Davis Polk & Wardwell for the Allowance of Interim Compensation and Reimbursement of Expenses. By Order, dated, March 28, 2003, this Court approved the fees and expenses requested in the Sixth Interim Application in the total amount of \$300,489.23.

^{7/}This application was the Seventh Interim Application of Davis Polk & Wardwell for the Allowance of Interim Compensation and Reimbursement of Expenses. By Order, dated, July 21, 2003, this Court approved the fees and expenses requested in the Seventh Interim Application in the total amount of \$147,297.02.

^{8/}This application was the Eighth Interim Application of Davis Polk & Wardwell for the Allowance of Interim Compensation and Reimbursement of Expenses. By Order, dated, December 10, 2003, this Court approved the fees and expenses requested in the Eighth Interim Application in the total amount of \$95,317.48.

SUMMARY OF COMPENSABLE TIME AND FEES
September 1, 2003 through March 22, 2004

Personnel + Dept.	Position/ Year of Admission	Hourly Rate	Total Hours This Application	Total Compensation
Patrick A. Bradford *	partner / 1989	\$645	5.5	3,547.50
Patrick A. Bradford	partner / 1989	\$605	22.1	13,370.50
Karen E. Wagner *	partner / 1977	\$720	0.3	216.00
Karen E. Wagner	partner / 1977	\$660	0.5	330.00
Peter Bryce *	associate / 2001	\$455	4.7	2,138.50
Peter Bryce	associate / 2001	\$425	62.1	26,392.50
James I. McClammy *	associate / 1998	\$445	48.6	21,627.00
James I. McClammy	associate / 1998	\$425	2.7	1,147.50
Spencer L. Reames *	associate/ pending	\$320	0.6	192.00
Spencer L. Reames	associate/ pending	\$235	13.3	3,125.50
Subtotal Hours			<u>160.4</u>	<u>\$72,087.00</u>
Robert L. Jones *	managing atty	\$205	0.3	61.50
Robert L. Jones	managing atty	\$185	1.9	351.50
Patrick Dezil	legal assist	\$185	29.0	5,365.00
Helen B. Castro	legal assist	\$65.	0.5	32.50
Matthew T. Nicholson	1/a/clerk	\$60	9.5	570.00
Michael Reeves	1/a/clerk	\$65	0.5	32.50
Erik R. Tyrone	1/a/clerk	\$100.	2.0	200.00
Margarita Reyes	1/a/clerk	\$60	2.0	<u>120.00</u>
			45.7	\$6,733.00
(less 50% of attorney travel time)				\$0.00
(less 100% Abbey Nat'l Deferred Per client)				<u>\$0.00</u>
Subtotal				\$6,733.00
Grand Total			206.1	\$78,820.00
* Rate increased				
Blended Rate			\$382.44	

SUMMARY OF COMPENSABLE TIME AND FEES
Petition Date through March 22, 2004

<u>Personnel + Dept.</u>	<u>Position/ Year of Admission</u>	<u>Hourly Rate</u>	<u>Total Hours This Application</u>	<u>Total Compensation</u>
Donald S. Bernstein	partner / 1979	\$625	2.8	\$1,750.00
Paul Bartel II	partner / 1979	\$620	49.5	\$30,690.00
Patrick A. Bradford *	partner / 1989	\$645	5.5	3,547.50
Patrick A. Bradford *	partner / 1989	\$605	181.4	\$109,747.00
Patrick A. Bradford	partner / 1989	\$590	166.7	\$98,353.00
Patrick A. Bradford	partner / 1989	\$535	198.4	\$106,144.00
Karin Day	partner / 1988	\$580	0.5	\$290.00
Kathleen L. Ferrell *	partner / 1981	\$590	0.5	\$295.00
Kathleen L. Ferrell	partner / 1981	\$570	7.4	\$4,218.00
Edmond T. Fitzgerald	partner / 1991	\$480	1.1	\$528.00
Gail Flesher	partner / 1989	\$570	0.4	\$228.00
James A. Florack	partner / 1985	\$580	20.2	\$11,716.00
John Fouhey	partner / 1974	\$650	22.8	\$14,820.00
Ronan P. Harty	partner / 1987	\$580	18.0	\$10,440.00
Marshall S. Huebner	partner/ 1994	\$445	2.0	\$890.00
Leonard Kreynin	partner / 1990	\$535	244.2	\$130,647.00
Phillip R. Mills*	partner / 1987	\$645	0.3	\$193.50
Phillip R. Mills*	partner / 1987	\$615	5.1	\$3,136.50
Phillip R. Mills	partner / 1987	\$595	411.9	\$245,080.50
Phillip R. Mills	partner / 1987	\$530	0.3	\$159.00
Barbara Nims *	partner / 1984	\$645	1.7	\$1,096.50
Barbara Nims	partner / 1984	\$595	1.1	\$654.50
Jerome G. Snider	partner / 1976	\$650	12.9	\$8,385.00
Andrew W. Stumpff	partner / 1987	\$535	23.6	\$12,626.00
Karen E. Wagner*	partner / 1977	\$720	0.3	216.00
Karen E. Wagner*	partner / 1977	\$660	24.9	\$16,434.00
Karen E. Wagner	partner / 1977	\$645	37.4	\$24,123.00
Karen E. Wagner	partner / 1977	\$620	360.2	\$223,324.00
Karen E. Wagner	partner / 1977	\$570	5.0	\$2,850.00
Margaret M. Ayres	counsel / 1973	\$435	0.2	\$87.00
Loyti Cheng	counsel / 1987	\$490	3.6	\$1,764.00
James P. McIntyre	counsel / 1978	\$490	8.2	\$4,018.00
Kiye M. Sakai	counsel / 1989	\$490	2.8	\$1,372.00
Joseph Sperber *	counsel / 1968	\$455	3.4	\$1,547.00
Joseph Sperber	counsel / 1968	\$435	124.9	\$54,331.50
John Wright	counsel / 1982	\$490	2.4	\$1,176.00

Julie E. Anderson *	associate / pending	\$305	7.8	\$2,379.00
Julie E. Anderson	associate / pending	\$220	80.1	\$17,622.00
C. Ian Anderson	associate / 1995	\$405	55.5	\$22,477.50
Gregory G. Ballard	associate / 1993	\$415	45.6	\$18,924.00
Colin C. Bridge	summer associate	\$120	27.2	\$3,264.00
Genevieve Bruce	associate / 1996	\$405	68.9	\$27,904.50
Peter Bryce *	associate / 2001	\$455	4.7	2,138.50
Peter Bryce *	associate / 2001	\$425	191.5	\$81,387.50
Peter Bryce	associate / 2001	\$415	199.9	\$82,958.50
Erin K. Cho	associate / 1998	\$385	0.2	\$77.00
Ada Dekhtyar	associate / 2000	\$395	9.0	\$3,555.00
Ada Dekhtyar	associate / 2000	\$345	37.0	\$12,765.00
Guy Des Rosiers	associate / 1994	\$385	106.8	\$41,118.00
Roy David	associate / 1998	\$290	146.6	\$42,514.00
Omiyinka Doris	associate / pending	\$215	62.4	\$13,416.00
Hope Drury	associate / 1999	\$290	9.1	\$2,639.00
Mutya Fonte	associate / 1998	\$345	9.5	\$3,277.50
Stacy Futter	associate / 2000	\$290	3.4	\$986.00
Eric F. Grossman	associate / 1994	\$415	3.3	\$1,369.50
Carmela Guerrero	associate / pending	\$355	190.7	\$67,698.50
Kurt Hoffman	associate / 2001	\$215	34.5	\$7,417.50
Marshall Huebner	associate / 1994	\$415	0.6	\$249.00
Kirtee Kapoor	associate / 2000	\$290	185.9	\$53,911.00
Kevin D. Kim	associate / pending	\$290	37.6	\$10,904.00
Anne Kobayashi	associate / 1997	\$385	0.4	\$154.00
Pauline Leung *	associate / 1998	\$415	1.7	\$705.50
Pauline Leung	associate / 1998	\$385	161.1	\$62,023.50
Christopher Maher	associate / 1994	\$405	290.0	\$117,450.00
Jonas Marson*	associate / 2000	\$355	29.9	\$10,614.50
Jonas Marson	associate / 2000	\$290	223.9	\$64,931.00
Marina Martino-Casani	associate / 1998	\$385	38.5	\$14,822.50
Charlita Mays	associate / 1998	\$385	6.5	\$2,502.50
James I. McClammy *	associate / 1998	\$445	48.6	\$21,627.00
James I. McClammy *	associate / 1998	\$425	7.6	\$3,230.00
James I. McClammy	associate / 1998	\$395	95.8	\$37,841.00
James I. McClammy	associate / 1998	\$345	565.6	\$195,132.00
James I. McClammy	associate / 1998	\$280	2.6	\$728.00
Linda Mc Mahon	associate / 1997	\$405	0.5	\$202.50
Matthew L. Moore	associate / 1992	\$415	49.5	\$20,542.50
Betty Moy	associate / 1997	\$405	1.6	\$648.00
Adam S. Mukamal *	associate / 1997	\$345	63.9	\$22,045.50
Asha Muldro	summer associate	\$120	9.5	\$1,140.00
Jeffrey N. Neuman	associate / 1997	\$405	32.6	\$13,203.00

Christine K. Nichols	associate / 1996	\$405	2.0	\$810.00
Jeffrey O'Brien*	associate / pending	\$215	14.2	\$3,053.00
Jeffrey O'Brien	associate / pending	\$160	2.5	\$400.00
Andrew R. Polland	associate /2002	\$215	5.6	\$1,204.00
Neal Potischman	associate / 1999	\$345	0.4	\$138.00
Spencer L. Reames *	associate / pending	\$320	0.6	\$192.00
Spencer L. Reames *	associate / pending	\$235	91.4	\$21,479.00
Spencer L. Reames	associate / pending	\$170	75.9	\$12,903.00
Christian Reber	associate / 1999	\$215	0.5	\$107.50
Alexander Snyder	associate / 1994	\$425	1.7	\$722.50
Saema Somalya	summer associate	\$120	1.3	\$156.00
Eric J. Stock	associate / 2000	\$345	5.1	\$1,759.50
Holly Strutt *	associate / 1988	\$385	6.3	\$2,425.50
Holly Strutt	associate / 1998	\$325	4.0	\$1,300.00
David Tawil	associate / 2000	\$400	21.7	\$8,680.00
David Tawil	associate / 2000	\$355	1.3	\$461.50
Matteo Tonello	associate / 1998	\$345	93.6	\$32,292.00
Michael R. Vagnicci	associate / pending	\$215	131.8	\$28,337.00
Marc O. Williams	associate / 1999	\$345	47.6	\$16,422.00
Dana Willis	associate / pending	\$290	255.7	\$74,153.00
Rebecca Winters	associate / 1996	\$415	3.1	\$1,286.50
Richard G. Wood	associate / 2000	\$290	74.5	\$21,605.00
Patrick Michel	associate / 1997	\$405	690.1	\$279,490.50
Connie Shoemaker	associate / pending	\$405	0.5	\$202.50
Rajesh Swaminathan	associate / 2000	\$345	79.3	\$27,358.50
Subtotal Hours			6,709.90	\$2,774,311.50

Keeelm Agnew	legal assist	\$95	1.2	\$114.00
Luis A. Alarco	legal assist	\$190	10.0	\$1,900.00
Luis A. Alarco	legal assist	\$175	9.5	\$1,662.50
Lesley Bark	legal assist	\$95	5.5	\$522.50
Casey Bell	legal assist	\$190	5.0	\$950.00
Patrick Dezil *	legal assist	\$185	88.0	\$16,280.00
Patrick Dezil *	legal assist	\$180	27.0	\$4,860.00
Patrick Dezil	legal assist	\$165	116.0	\$19,140.00
Patrick Dezil	legal assist	\$155	19.5	\$3,022.50
Patrick Dezil	legal assist	\$135	160.0	\$21,600.00
Patrick Dezil	legal assist	\$120	149.0	\$17,880.00
Shelley T. DiDia	legal assist	\$180	2.0	\$360.00
Pedro Felix	legal assist	\$95	1.6	\$152.00
Pedro Felix *	legal assist	\$180	1.0	\$180.00
Mary Hungness	legal assist	\$95	17.6	\$1,672.00
Ann Jacobsen	legal assist	\$180	1.0	\$180.00
Robert Jones	legal assist	\$205	0.3	\$61.50

Robert Jones	legal assist	\$185	4.1	\$758.50
Robert Jones	legal assist	\$125	59.4	\$7,425.00
Malik M. Khalil	legal assist	\$180	1.7	\$306.00
Bruno Michels	legal assist	\$100	2.5	\$250.00
Meredith A. Mlynar	legal assist	\$95	1.0	\$95.00
Miriam Osner	legal assist	\$95	88.8	\$8,436.00
Jennifer Parham	legal assist	\$55	3.7	\$203.50
Sanetta Ponton	legal assist	\$95	0.5	\$47.50
Rana Ramjas	legal assist	\$190	2.5	\$475.00
Rana Ramjas	legal assist	\$175	13.5	\$2,362.50
Wanda Roman	legal assist	\$190	4.0	\$760.00
Rebecca Smith	legal assist	\$95	2.3	\$218.50
Bernadette M. Sullivan	legal assist	\$195	1.1	\$214.50
Bernadette M. Sullivan	legal assist	\$180	9.5	\$1,710.00
Haridimos V. Thravalos	legal assist	\$135	4.0	\$540.00
Erik R. Tyrone	legal assist	\$100	2.0	\$200.00
Maria Vanora	legal assist	\$170	3.6	\$612.00
Luis Alarco	litigation srvc	\$190	3.5	\$665.00
Marlon Oliva	litigation srvc	\$190	14.5	\$2,755.00
Stephanie Horbaczewski	corp adm clerk	\$55	3.9	\$214.50
Kelsey D. Stevens	corp adm clerk	\$55	14.5	\$797.50
Antonio A. Aguirre	l/a/clerk	\$55	3.5	\$192.50
Gissela Amador	l/a/clerk	\$55	15.5	\$852.50
Lucas Ballet	l/a/clerk	\$60	3.9	\$234.00
Abdalazies Bakheet	l/a/clerk	\$55	2.5	\$137.50
Claire Barker-Valrie	l/a/clerk	\$60	4.7	\$282.00
Paul Bozzello	l/a/clerk	\$60	3.9	\$234.00
Evan Brennan	l/a/clerk	\$55	4.0	\$220.00
Helen B. Castro	l/a/clerk	\$65	0.5	\$32.50
Stella Catechis	l/a/clerk	\$55	6.7	\$368.50
Maryellen Chiusano	l/a/clerk	\$60	6.7	\$402.00
Maryellen Chiusano	l/a/clerk	\$55	15.6	\$858.00
Patricia H. Christopher	l/a/clerk	\$55	1.5	\$82.50
Linda Cool	l/a/clerk	\$55	0.3	\$16.50
Melody Curry	l/a/clerk	\$55	2.0	\$110.00
Lueann L. Curney	l/a/clerk	\$55	147.7	\$8,123.50
Jennifer Cornwell *	l/a/clerk	\$60	8.3	\$498.00
Jennifer Cornwell	l/a/clerk	\$55	136.6	\$7,513.00
Rose Cornwell	l/a/clerk	\$60	7.6	\$456.00

Rose Cornwell	1/a/clerk	\$55	8.0	\$440.00
Joan DiFrancesco	1/a/clerk	\$60	0.5	\$30.00
Joan DiFrancesco	1/a/clerk	\$55	2.1	\$115.50
Richard J. Dziepa	1/a/clerk	\$55	0.5	\$27.50
Thea Ellis	1/a/clerk	\$55	3.3	\$181.50
Anthony Fuentes	1/a/clerk	\$55	4.7	\$258.50
Igor Fuks	1/a/clerk	\$55	10.5	\$577.50
Stephen George	1/a/clerk	\$55	7.0	\$385.00
William Graham	1/a/clerk	\$55	5.7	\$313.50
Judy Grancio	1/a/clerk	\$55	0.6	\$33.00
David Hawkins	1/a/clerk	\$55	6.5	\$357.50
Idina Holmes	1/a/clerk	\$55	5.5	\$302.50
Janis Hui	1/a/clerk	\$60	4.8	\$288.00
Naglaa Hussein	1/a/clerk	\$60	5.0	\$300.00
Naglaa Hussein	1/a/clerk	\$55	10.0	\$550.00
Noah Hutson-Ellenberg	1/a/clerk	\$55	4.8	\$264.00
Mohamed Ismail	1/a/clerk	\$55	18.0	\$990.00
David R. Ivester	1/a/clerk	\$55	2.0	\$110.00
Rhonda Jennings	1/a/clerk	\$55	4.2	\$231.00
Hane Kim	1/a/clerk	\$60	5.5	\$330.00
Kristian Lau	1/a/clerk	\$60	4.0	\$240.00
Ellen London	1/a/clerk	\$55	5.5	\$302.50
Adam Mahmoud	1/a/clerk	\$60	2.5	\$150.00
Andrew Marx	1/a/clerk	\$55	3.7	\$203.50
Lisa Matsomoto	1/a/clerk	\$55	4.0	\$220.00
Lonene Maynard	1/a/clerk	\$55	12.5	\$687.50
Evelyn Morales	1/a/clerk	\$55	1.8	\$99.00
Desmond Nation	1/a/clerk	\$55	5.0	\$275.00
Adrienne Nelson	1/a/clerk	\$55	5.0	\$275.00
David Nelson	1/a/clerk	\$55	16.5	\$907.50
Matthew Nicholson	1/a/clerk	\$60	9.5	\$570.00
Laura Nieskens	1/a/clerk	\$60	3.9	\$234.00
Christina Nieves	1/a/clerk	\$55	2.0	\$110.00
Christopher Odle	1/a/clerk	\$55	19.0	\$1,045.00
Christopher Palmer	1/a/clerk	\$55	5.5	\$302.50
James Parker	1/a/clerk	\$55	5.0	\$275.00
Brendan M. Phair	1/a/clerk	\$55	8.0	\$440.00
Cheryl Reid	1/a/clerk	\$55	1.5	\$82.50
Michael Reeves	1/a/clerk	\$65	0.5	\$32.50
Margarita Reyes	1/a/clerk	\$60	2.0	\$120.00
Margarita Reyes	1/a/clerk	\$55	2.0	\$110.00
Omar Shaiku	1/a/clerk	\$55	6.0	\$330.00

Yolanda Shaw	1/a/clerk	\$55	17.5	\$962.50
Maura Sheridan	1/a/clerk	\$55	3.4	\$187.00
Julian Smalls	1/a/clerk	\$55	6.0	\$330.00
Maria J. Stephan	1/a/clerk	\$55	8.8	\$484.00
Erin Sullivan	1/a/clerk	\$55	5.5	\$302.50
Jorge Valentin	1/a/clerk	\$60	2.5	\$150.00
Michael S. Webb	1/a/clerk	\$55	5.0	\$275.00
Jeanne B. Weber	1/a/clerk	\$60	0.2	\$12.00
Jeanne B. Weber	1/a/clerk	\$55	0.8	\$44.00
Karen Werther	1/a/clerk	\$55	0.2	\$11.00
Lauren Zaccagnino	1/a/clerk	\$55	14.5	\$797.50
Luis Alarco	ref librarian	\$190	8.0	\$1,520.00
Hope Lynn Bernard	ref librarian	\$135	0.2	\$27.00
John Denkowski	ref librarian	\$150	1.6	\$240.00
Michael Fillinger	ref librarian	\$140	0.9	\$126.00
Joseph Florio	ref librarian	\$150	0.2	\$30.00
Rodney Russell	ref librarian	\$130	0.9	\$117.00
Mark Zaleck	ref librarian	\$140	0.3	\$42.00
Mark Zaleck	ref librarian	\$135	2.0	\$270.00
Jeannine Zombek	ref librarian	\$135	3.1	\$418.50
Subtotal			1,542.50	\$159,638.50
(less 50% of attorney travel time)				(\$36,073.75)
(less 100% Abbey Nat'l Deferred Per client)				(\$99,236.50)
Total			8,252.40	\$2,798,639.75
* Rate increased				
Blended Rate			339.13	

**Compensation By Project Category
September 01, 2003 through March 22, 2004**

CATEGORY	PROJECT	HOURS	\$ AMOUNT
Case Administration/General Services	Documents	0.5	32.50
	General	6.4	621.50
DPW-Retention/Compensation	Fact Investigation	1.7	756.50
	Fee Application	41.4	18,369.00
	Retention Application & Affidavits	8.2	3,649.00
Cleveland Cliffs	General	113.9	49,726.50
	Documents	34.0	5,665.00
Grand Total:		206.1	\$78,820.00

Compensation By Project Category
Petition Date through March 22, 2004

CATEGORY	PROJECT	HOURS	\$ AMOUNT
Plan and Disclosure Statement	General	2.2	\$407.00
Case Administration Services	Documents	497.2	\$47,581.50
	Environmental	3.5	\$1,347.50
	Fact Investigation	1.5	\$322.50
	Litigation	4.5	\$540.00
	General	291.8	\$97,977.50
	Structuring	1.9	\$1,111.00
Claims Analysis and Objections	General	1.0	\$466.00
Court Hearings	General	5.9	\$2,989.00
Pension/Employee Benefits Litigation	Fact Investigation	2.5	\$1,431.00
	General	17.9	\$10,430.50
General Strategic Advice	Fact Investigation	2.6	\$1,172.00
	General	37.8	\$21,586.00
	Structuring	3.0	\$975.00
Asset Disposition	General	15.8	\$6,566.00
	Documents	0.9	\$49.50
Executory Contracts and Leases	General	44.0	\$16,951.00
Financings	General	5.6	\$3,529.00
Other Litigation	Abbey National Motion; Cash Collateral Order	384.8	\$99,236.50
	Deferred 100% as per agreement with client	0.0	(\$99,236.50)
DPW-Retention/Compensation	Retention Application & Affidavits	101.5	\$45,669.00
	Fact Investigation	1.7	756.50
	Fee Application	204.1	\$80,135.50
	General	14.7	\$5,936.00
	Litigation	3.0	\$360.00
	Monthly Bill	81.2	\$27,641.00
Sale Of Copperweld	General	12.1	\$2,541.00
	Tax	0.8	\$479.50
Travel Less 50%	General	161.9	\$36,073.75
Sale Of VP Buildings	Litigation	48.2	\$22,870.00
	Benefits	41.6	\$16,662.50
	Fact Investigation	8.3	\$2,529.00

CATEGORY	PROJECT	HOURS	\$ AMOUNT
	Documents	44.2	\$13,618.50
	Bids	367.3	\$164,464.00
	Bid Letters	1.0	\$405.00
	Antitrust	112.0	\$56,530.00
	ERISA	3.8	\$2,093.00
	General	601.9	\$205,065.50
Sale of VP Buildings (cont'd)	Environmental	41.5	\$16,503.50
	Structuring	80.9	\$32,916.00
	Solicitation Of Bids	365.3	\$155,474.50
	Preparation Of Drafts	556.1	\$212,239.50
	Tax	51.0	\$18,205.00
Sale Of Integrated Steel	Fact Investigation/Due Diligence	0.8	\$434.00
	Solicitation Of Bids/Bid Letters	12.8	\$5,735.00
	General	3.6	\$1,739.50
	Structuring	31.7	\$16,126.50
Trico Strategy	Financing	0.2	\$130.00
	Asset Management	50.0	\$21,687.50
	Documents	1.4	\$521.00
	General	63.4	\$25,458.50
	Solicitation Of Bids/Bid Letters	1.0	\$405.00
	Fact Investigation/Due Diligence	0.5	\$145.00
	Structuring	44.1	\$17,719.00
Cleveland Cliffs	Antitrust	30.1	\$13,685.50
	Benefits	48.8	\$14,912.00
	Bids	2.9	\$1,725.50
	Documents	584.6	\$108,384.00
	Litigation	21.5	\$8,600.00
	Drafts	599.8	\$229,527.00
	Empire Mine	117.1	\$49,656.50
	Environmental	66.8	\$25,718.00
	General	1641.2	\$671,637.00
	LTV Steel Mine	664.9	\$238,951.00
	Structuring	4.7	\$1,669.00
	Closing	20.5	\$5,460.50
	Tax	11.5	\$4,012.50

CATEGORY	PROJECT	HOURS	\$ AMOUNT
Grand Total:		8252.4	\$2,798,639.75

SUMMARY OF EXPENSES
September 1, 2003 Through March 22, 2004

<u>Itemized Charges:</u>		
Computer Research		94.59
Word Processing		3,334.80
Communications Expenses		
Telephone	56.81	
Fax	25.48	
		82.29
Inside Copying		3,300.20
Messenger		618.00
Staff Overtime		115.00
Miscellaneous		15.00
Less Abbey National related DPC		(0.00)
Total Itemized Charges:	\$7,559.88
 <u>Disbursements:</u>		
Postage/Courier Expenses	\$	5,042.74
Overtime Late Night Taxi		173.58
Local Travel		114.24
Outside Document Retrieval		675.56
Meals		63.05
Office Charges		35.20
Less Abbey National related Disbursements		(0.00)
Total Disbursements:	<u>\$6,104.37</u>
Total:	<u>\$ 13,664.25</u>

SUMMARY OF EXPENSES
Petition Date Through March 22, 2004

Itemized Charges:

Computer Research		
WEST LAW	\$15,191.20	
Dialog	41.80	
Disclosure-Glb Access-Internet	447.50	
LEXIS	15,967.83	
		31,648.33
Word Processing		60,298.60
Communications Expenses		
Telephone	1,950.49	
Fax	927.77	
		2,878.26
Inside Copying		110,908.95
Legal Assistant Overtime		2,812.00
Messenger		2,646.20
Staff Overtime		698.00
Miscellaneous		15.00
Less Abbey National related DPC		(9,709.76)
Total Itemized Charges:		<u>\$202,195.58</u>

Disbursements:

Postage/Courier Expenses	\$	42,206.82
Conferences		7,737.71
Outside Document Retrieval		2,069.78
Overtime Late Night Taxi		10,721.27
Local Travel		4,540.71
Travel Out of Town		34,353.23
Miscellaneous		312.44
Professional and Other Services		3,960.08
Meals		6,458.25
Court Related Fees		577.20
Office Charges		2,113.99
Warehouse Charges		105.86
Outside Reproduction		120.00
Less Abbey National related Disbursements		(1,799.98)
Total Disbursements:		<u>\$113,477.36</u>

Total: **\$315,672.94**

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

-----X
In re: : Chapter 11
LTV STEEL COMPANY, INC., :
a New Jersey Corporation, et al., : Case No. 00-43866 (WTB)
Debtors. : Jointly Administered
-----X

**NINTH INTERIM AND FINAL APPLICATION OF DAVIS POLK & WARDWELL,
SPECIAL COUNSEL TO DEBTORS AND DEBTORS-IN-POSSESSION, FOR
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

1. Davis Polk & Wardwell (“**DP&W**”) respectfully represents as follows:

DP&W is special counsel for the Debtors and Debtors-in-Possession (the “**Debtors**”) in the above-captioned case.

1. On December 29, 2000 (the “**Petition Date**”), the Debtors commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. By an order entered on the **Petition Date**, the Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being administered jointly.

2. The Debtors other than the Copperweld Debtors (as defined below)) are continuing in possession of their respective properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

3. On January 10, 2001, the Office of the United States Trustee for the Northern District of Ohio (the “U.S. Trustee”) appointed a statutory committee of unsecured creditors (the “Unsecured Creditors Committee”) in these chapter 11 cases, pursuant to section 1102 of the Bankruptcy Code. On January 19, 2001, the U.S. Trustee appointed a statutory committee of noteholders (the “Noteholders Committee”), pursuant to section 1102 of the Bankruptcy Code. On February 27, 2003, the U.S. Trustee appointed an amended statutory committee of administrative creditors (together with the Noteholders Committee, the “Committees”) in the LTV Steel Company, Inc. case. On March 27, 2003, the U.S. Trustee filed its Notice of Disbandment of the Unsecured Creditors Committee.

4. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

5. Debtor The LTV Corporation, a Delaware corporation, is the direct parent of LTV Steel and the direct or indirect parent of each of the other Debtors.

6. As of the Petition Date, the Debtors operated through two primary business segments: (a) the integrated steel business segment, which engaged in the manufacture and sale of a diversified line of carbon flat-rolled steel products consisting of hot-rolled and cold-rolled sheet and galvanized products (the “Integrated Steel Business”); and (b) the metal fabrication business segment, which engaged in, among other things, (i) the manufacture and sale of mechanical and structural tubular products, (ii) pipe and conduit, (iii) the production of bimetallic wire (the “Metal Fabrication Business”), and (iv) the production of automotive components.

7. By an order entered on September 4, 2001, the Court authorized the Debtors to sell the assets of Debtors VP Buildings, Inc., VP-Graham, Inc., Varco Pruden

International, Inc. and United Panel, Inc. (collectively, the “VP Debtors”). By orders entered on December 7, 2001 and August 30, 2002, the Court authorized the Debtors to implement an asset protection plan through and including December 13, 2002 to effect the orderly cessation of operations for, and the sale of assets of, the Debtors’ Integrated Steel Business. By an order entered on February 28, 2002, the Court approved the sale of substantially all of the assets of the Integrated Steel Business (the “Integrated Steel Business Sale”) to WLR Acquisition Co. n/k/a International Steel Group, Inc. (“ISG”). The closing of the Integrated Steel Sale transactions occurred on April 12, 2002 (for the hard assets) and May 13, 2002 (for the inventory).

8. On November 7, 2002, the Court entered an order approving the sale of the assets of the LTV Tubular division of LTV Steel (the “LTV Tubular Business”). The closing of the sale of the LTV Tubular Business occurred on December 31, 2002. The Debtors currently are winding down LTV Steel’s estate pursuant to orders entered on February 11, 2003 and December 23, 2003.

9. On November 17, 2003, the Court entered an order (D.I. 6926) confirming the Second Amended Joint Plan of Reorganization of Copperweld Corporation and Certain of Its Debtor Affiliates, as modified (the “Copperweld Plan”). On December 17, 2003, the Copperweld Plan became effective in accordance with its terms, and Copperweld Corporation and its affiliates that were proponents of the Copperweld Plan (collectively, the “Copperweld Debtors”) emerged from chapter 11.

10. On December 17, 2003, the Court entered an order (D.I. 7136) confirming the First Amended Joint Plan of Liquidation of VP Buildings, Inc., Its Subsidiary Debtors

and Certain of Its Debtor Affiliates (collectively, the “VP Debtors”). The VP Debtors’ plan has not yet become effective.

11. On or about January 25, 2001, the Debtors filed an Application for an Order Authorizing Retention of Davis Polk & Wardwell as Special Counsel for the Debtors and Debtors-in-Possession (the “**Retention Application**”). By an order dated February 20, 2001, Docket No. 510 (the “**Retention Order**”), the Retention Application was granted. A copy of the Retention Order is attached hereto as **Exhibit A** and is incorporated herein by reference.

12. DP&W submits this interim and final fee application for the interim period September 1, 2003 through March 2004 and as a final application for approval of all fees and expenses earned or incurred from the petition date through the date of this application (the “**Fee Application**”) pursuant to the following: (a) sections 330(a) and 331 of the Bankruptcy Code; (b) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”); (c) the 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 January 31, 2001 (the “**Interim Compensation Order**”); (d) certain applicable provisions of the Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 adopted by the Office of the U.S. Trustee (the “**Guidelines**”); and (e) General Order No. 93-1 of the United States Bankruptcy Court for the Northern District of Ohio (“**Local Rule 93-1**”).

13. Professional services and expenses for which compensation and reimbursement are sought were rendered and expended on behalf of the Debtors pursuant to

Chapter 11 of the Bankruptcy Code. DP&W believes it is appropriate that it be compensated for the time spent and be reimbursed for the expenses incurred in connection with these matters.

14. DP&W maintains daily records of the time spent in the rendering of professional services during the period covered by this Fee Application. For the period covered by this Fee Application, DP&W hereby seeks allowance of compensation and reimbursement of expenses as follows:

- (a) Compensation of \$78,820.00 for the interim period of September 1, 2003 through March 22, 2004 (the “Interim Period”) in connection with services rendered to or on behalf of the Debtors. DP&W has identified each of its professionals and paraprofessionals who provided services to the Debtors during the Compensation Period. A summary of the total hours incurred and fees charged for each billing category during the Interim Period — along with the related time detail — is attached hereto as **Exhibit B** and incorporated herein by reference.
- (b) Reimbursement of actual and necessary expenses incurred during the Interim Period of \$13,664.25 incurred in connection with DP&W's services. A summary and itemization of these expenses is attached hereto as **Exhibit D** and incorporated herein by reference.
- (c) DP&W also seeks final approval of all fees and expenses earned or incurred during the period from the Petition Date through March 22, 2004. DP&W's fees for this period total \$2,798,639.75 and the expenses it incurred total \$315,672.94. Detailed time entries and expense details for the first eight interim

periods have already been submitted to the Court and the requisite notice parties.

In an effort to save the expense of reproduction and service of the substantial time entry and expense detail exhibits that accompanied the earlier interim fee applications, those time entries and expense details do not accompany this Fee Application, but are incorporated herein by reference. Copies of these materials shall be made available upon request.

- (d) Of the compensation and reimbursement of expenses requested in this Fee Application, a balance of \$353,290.10 remains outstanding.

15. **Exhibit C** contains a summary of DP&W's billing procedures for disbursements, which were approved in the retention order. It should be noted that in earlier fee applications, DP&W had indicated in this summary that a 30% surcharge had been placed on computer assisted legal research expenses. In fact, consistent with DP&W's usual billing practices this surcharge has always been 15%. The correct percentage has always been indicated in the chart accompanying DP&W's fee applications that sets forth the surcharge portion of DP&W's requested expenses. The summary has been corrected in this application to correctly reflect actual billing practices.

16. DP&W has endeavored to represent the Debtors in the most expeditious and economical manner possible. Tasks have been assigned so that work has been performed by those most familiar with, and appropriate for, the particular matter or tasks at the lowest hourly rate appropriate for that matter or task. Moreover, DP&W has sought to coordinate with other professionals involved in these cases so as to minimize any duplication of effort and to minimize attorneys' fees and expenses to the Committee. We believe we have been successful in this regard.

17. As set forth in the Retention Order, DP&W is “authorized to perform services . . . which are expected to included services in connection with (1) major asset sales, including the sale of VP Buildings, which is ongoing . . . (2) matters in which Jones Day Reavis & Pogue, the Debtors’ general bankruptcy counsel, has a conflict; at present the only matter so identified involves possible issues relating to Cleveland Cliffs Corporation; (3) ongoing advice relating to LTV’s interest in joint ventures, including Trico Steel Company, LLC.; (4) consultation and advice in connection with litigation as to which Davis Polk has some familiarity as a consequence of its role as counsel in connection with the Debtors’ last Chapter 11 proceedings . . .; and (5) general strategic advice, as requested by Debtors.” Retention Order ¶ 2. DP&W's professionals and paraprofessionals billed their time during the Compensation Period to five categories encompassing eleven distinct billing projects categories. Below is a summary of the primary activities performed by DP&W during the Compensation Period in each of the categories. A complete description of all such activities is found in the contemporaneous, daily time records included in the attached Exhibit B.

(a) Major Asset Sales

- (i) Sale of VP Buildings (2323.1 hours; \$919,576.00): DP&W has advised Debtors on all aspects of the potential sale of VP Buildings. In addition, DP&W was responsible for preparing drafts of documents and coordinating the bid selection process. The sale of VP Buildings was approved by the Court and represented a substantial benefit to the Debtors’ estates.

- (ii) Sale of Integrated Steel (48.9 hours; \$24,035.00): DP&W has advised Debtors on various aspects of developing an approach for the sale of Integrated Steel, including the preparation of a proposal for potential buyers.
 - (iii) Sale of Copperweld (12.9 hours; \$3,020.50): DP&W provided advice with respect to discrete issues related to the Debtors' efforts to sell its Copperweld assets.
- (b) Matters In Which Jones Day Reavis & Pogue Has A Conflict
- (i) Cleveland-Cliffs (3819.80 hours; \$1,375,836.00): During the period covered by this Fee Application, DP&W advised Debtors in connection with an adversary complaint filed by Cleveland-Cliffs Inc. regarding the Empire Iron Mining Partnership. In addition, DP&W researched and drafted a response to Cleveland-Cliffs' emergency motion for a temporary restraining order and preliminary injunction and prepared for the related court hearing. Also during this period, DP&W advised Debtors on matters related to their interests in the Empire Mine Partnership. This matter was resolved by agreement between the parties and an agreed order was entered by the Court.

In addition, DP&W took the lead role in advising and assisting the Debtors with respect to all aspects of the sale of substantially all of the assets of the LTV Steel Mining Company and its partners. The sale of

these assets, which provided a substantial benefit to these estates, was approved by the Court by orders dated October 23 and 25, 2001.

Also, DP&W advised the Debtors with respect to administrative expense claims filed against LTV Steel by Cleveland-Cliffs Inc. and/or its affiliates and partners and drafted objections to those claims that were filed with the Court. DP&W prepared and responded to pleadings, attended Court conference and ultimately participated in bringing this matter to an agreed resolution. An Order approving this settlement was entered by the Court on January 7, 2004.

(ii) Executory Contracts and Leases (44 hours; \$16,951.00): Time was spent advising Debtors regarding an executory contract with Cleveland-Cliffs.

(c) Advice Relating to LTV's Joint Venture Interests

(i) Asset Disposition (11.2 hours; \$4,718.00): DP&W provided general advice in connection with a joint venture agreement.

(ii) Trico Strategy (160.6 hours; \$66,066.00): DP&W has advised Debtors on various issues related to the effect of the Debtors' chapter 11 petition on Trico Steel Company, LLC and issues related to the subsequent chapter 11 filing of Trico Steel Company, LLC.

(d) Consultation and Advice In Connection With Matters Related to Debtors Last Chapter 11 Cases

(i) Pension/Employee Benefits Litigation (20.4 hours; \$11,861.50): During the period covered by this Fee Application, DP&W addressed issues related to the Debtors' previous settlement agreement with the Pension

Benefit Guaranty Corporation and other PBGC issues that may arise in these cases.

(e) General Strategic Advice, As Requested By Debtors

- (i) General Strategic Advice (43.4 hours; \$23,733.00): In light of DP&W's longstanding relationship with the Debtors, Debtors have sought, and DP&W has provided, strategic advice in various discrete areas related to these cases. Specifically, DP&W has provided advice on asset dispositions, orders impacting assets, and general reorganization strategy.
- (ii) Financings (5.6 hours; \$116.00): DP&W has reviewed and provided advice on Debtors' loan guarantee program and with respect to a soil financing issue. By agreement with the U.S. Trustee, the amount requested reflects a reduction of the fees related to the provision of advice on the Debtors' loan guarantee program totaling \$3413.00.

(f) Matters Required of DP&W to Carry Out Its Role As Special Counsel

- (i) DPW-Retention/Compensation (406.2 hours; \$150,497.50): DP&W has devoted time to preparing its application for retention as special counsel in these cases, responding to objections, and preparing for and attending a hearing related to its retention. DP&W has also devoted time to updating its disclosure statement. By agreement with the Official Committee of Noteholders, the amount requested reflects a reduction in fees related to DP&W's retention totaling \$10,000.00.

In addition, DP&W prepared a Supplemental Disclosure concerning outstanding prepetition fees and expenses. Further, DP&W has reviewed and evaluated its monthly fee statements, on an ongoing basis, for compliance with the Guidelines and Local Rule 93-1, and has prepared and submitted applications seeking the approval of its fees and expenses.

- (ii) Court Hearings (5.9 hours; \$2989.00): During the period covered by this Fee Application, DP&W was required to attend court hearings concerning the approval of its retention in these cases and concerning the motion of Cleveland-Cliffs Inc. seeking preliminary relief to prevent the expiration of an alleged option to purchase certain of the Debtors' assets. DP&W has attended other hearings during the pendency of these cases; the fees related to these hearings are incorporated under the specific category to which the substance of the hearing was related.
- (iii) Other Litigation (384.8 hours; \$99,236.50): DP&W devoted a substantial amount of time to responding to the Emergency Motion by Abbey National Treasury Services, PLC for Modification of Interim Order Entered on December 29, 2000. As set forth above, DP&W has voluntarily reduced its requested fees and expenses by 100% of the fees and expenses earned or expended in connection with this matter.
- (iv) Travel (235.9 hours; \$36,073.75): This category encompasses non-working travel time necessary to attend various Court hearings,

conferences or due diligence sessions. Travel time is billed at fifty-percent of DP&W's customary rate.

(v) Case Administration and General Services (755.5 hours; \$148,965.50):

Due to the size and complexity of the matters assigned to DP&W as special counsel, daily case administration matters required the attention of DP&W during the period covered by this Fee Application, including, but not limited to, document management, docket review and general coordination. By agreement with the U.S. Trustee, the amount requested reflects a reduction in fees related to DP&W's tracking of the Wheeling-Pittsburgh Chapter 11 proceedings totaling \$787.50.

18. Prior DP&W fee applications and payments:

- (a) As described in the Affidavit of Karen E. Wagner (the "**Wagner Affidavit**"), which accompanied the Retention Application, on December 13, 2000, Davis Polk rendered a bill on account in the amount of \$750,000.00 for services rendered and to be rendered to The LTV Corporation and/or its subsidiaries (the "**Retainer**"). The LTV Corporation paid the Retainer on December 21, 2000. As further described in the Wagner Affidavit, on the day before the Petition Date, Davis Polk rendered The LTV Corporation three bills in the aggregate amount of \$283,901.05 and reduced the \$750,000.00 retainer by that amount, leaving a balance of \$466,098.95 paid on account.
- (b) On May 14, 2001, DP&W filed its Supplemental Disclosure of Davis Polk & Wardwell, Special Counsel to Debtors and Debtors-In-Possession, Pursuant to 11 U.S.C. § 329 And Bankruptcy Rule 2016, And Request For Order Authorizing

Application Of Prepetition Retainer To Outstanding Prepetition Fees and Expenses (the “**Supplemental Disclosure**”). The Supplemental Disclosure requested authority to apply the Retainer to cover \$97,937.24 in outstanding prepetition fees and expenses. By order dated June 5, 2001, this Court approved DP&W’s request. Accordingly, the Retainer has been reduced by \$97,937.24, leaving a current balance of \$368,161.71. DP&W requests that this Court allow it to apply the balance of the Retainer to any fees and expenses that are currently outstanding, with the balance to be returned to the Debtors.

- (c) As set forth above, DP&W has submitted eight prior interim fee applications. These fee applications have been reviewed and approved by the Court as indicated. DP&W has received no payments other than those that are set forth above and has received no payments for the fees and expenses for which payment is sought in this Fee Application.
- (d) Section 330(a)(1)(B) of the Bankruptcy Code permits reimbursement for actual, necessary expenses. Accordingly, DP&W has (a) conducted a review to ensure that the expenses for which reimbursement is sought comply with section 330(a)(1)(B), Local Rule 93-1, the Guidelines and other applicable requirements and (b) eliminated any expenses that it deemed “not necessary” or otherwise inappropriate.

19. Objections of the U.S. Trustee to Prior DP&W fee applications: The U.S. Trustee has raised several objections to DP&W’s earlier fee applications. These substance of these objections have already been addressed by the Court in connection with earlier fee applications filed by DP&W and were the subject of hearings before this Court on August 7,

2001 and April 23, 2002. This Court has already entered orders approving the fees of DP&W over the objection of the U.S. Trustee. The U.S. Trustee, however, has indicated that it reserved the right to raise these objections at the time DP&W filed its final fee application. Accordingly, each such objection is addressed below.

- (a) Retention Time: In both the First and Second Interim Applications, the U.S. Trustee objected to time spent preparing DP&W's application for employment and ensuring continued compliance with disclosure obligations imposed upon professionals whose employment is authorized by the Court. See Objection to First Interim Application, ¶ 6 (Docket No. 1338); Objection to Second Interim Application, ¶ 5 (Docket No. 1897). DP&W's efforts to be retained as special counsel far exceed what could be considered simply the "expense of doing business." In order to be retained, DP&W had to undertake an extensive conflicts check – reviewing its connections to a list of entities and individuals that spanned nearly seven single-spaced, dual-columned pages – a task rendered especially important upon the filing of Abbey National's emergency motion. After completing that task, DP&W prepared a comprehensive application and disclosure statement, responded to the objection of the UST, and prepared for and attended the hearing addressing its retention application. In addition, DP&W was obligated to update its conflicts check and file supplemental disclosures with the Court. This effort required a substantial amount of attorney and para-professional time. Section 330 of the Bankruptcy Code allows for professionals to be compensated for services that were either necessary or beneficial to the administration of the estate. DP&W's efforts to be retained

were both, and accordingly DP&W should be compensated for the time spent.

As noted above, despite the fact that DP&W believes that is entitled to be compensated for all time expended in connection with its retention, DP&W has agreed to reduce its fees related to its retention by \$10,000.00.

- (b) Word Processing, Overtime/Late Night: The U.S. Trustee has previously objected to DP&W's request to be reimbursed for word processing services and overtime/late night costs. See Objection to First Interim Application, ¶ 7; Objection to Second Interim Application, ¶ 7; Objection to Third Interim Application, ¶ 5. The Debtors' application to retain DP&W clearly set forth DP&W's usual billing practices. See Retention Application (Docket No. 359), Exh. D. The U.S. Trustee raised an objection to these expenses in response to the Retention Application. See Objection, dated February 13, 2001, ¶¶ 8-9. DP&W filed a response to the U.S. Trustee's objection further explaining that DP&W does not include charges for these services and expenses, which are used by different clients to different degrees, in its fees but rather charges for these services directly as they are used by clients. See DP&W Response (Docket No. 469), dated Feb. 16, 2001, at 3-4. DP&W therefore believes that it is appropriate that it be reimbursed for these items. See Guidelines, ¶ 33 (acknowledging that the "billing practices of professionals may differ" and stating that "[t]he court will consider applicant's customary practice in charging or not charging other clients for particular items."); see also In re Wolverine Knitting Mills, Inc., 107 B.R. 546, 547-48 (Bankr. E.D. Mich. 1989) (approving request of reimbursement for secretarial services where applicant's hourly rates did not account for such

services, despite argument of U.S. Trustee that most cases treated such services as non-compensable overhead).

- (c) Surcharge on Expenses: As set forth in DP&W's billing practices and procedures, which are attached hereto as Exhibit C, a surcharge is included for certain expenses such as messengers, computer research, telephone calls and facsimile transmissions. The U.S. Trustee has objected to reimbursement of these surcharges. See Objection to First Interim Application, ¶ 8; Objection to Second Interim Application, ¶ 8. A chart setting forth the surcharge portion of DP&W's expenses is attached hereto as **Exhibit E**. The surcharges reflect the firm's allocated cost for the provision of these services, and therefore should be reimbursed.
- (d) Fee Application Time: The U.S. Trustee objected to the Second Interim Application on the grounds that the fees allowed for the preparation of the required fee applications should be limited to 3% of the total fees requested in that interim application. See Objection to Second Interim Application, ¶ 6. DP&W's total fees related to the preparation of its fee applications for the period from the Petition Date through March 22, 2004 totals \$80,135.50. This amount falls below the approximately \$84,000.00 that represents 3% of the total fees requested. Accordingly, DP&W's request falls within the guidelines advocated by the U.S. Trustee. DP&W notes, however, that the amount sought in this Fee Application represents time actually and necessarily expended by DP&W and the US Trustee's attempt to impose an arbitrary cap of 3% is both unjust and not

supported by the Bankruptcy Code, the Bankruptcy Rules, the Local Rules of this Court or by the Interim Compensation Order.

20. No agreement or understanding exists between DP&W or any third person for the sharing of compensation, except as permitted by section 504(b) of the Bankruptcy Code and Bankruptcy Rule 2016 with respect to sharing of compensation between and among partners in DP&W. All the services for which compensation is requested in this Application were rendered at the request of and solely on behalf of the Debtors.

21. A copy of this application has been sent to the Debtors for their review. To date, the Debtors have not expressed whether they approve the amounts requested in this fee application.

22. In accordance with Local Rule 93-1 and the Guidelines, the Certification of Karen E. Wagner is attached hereto as **Exhibit F** and is incorporated herein by reference.

NOTICE

23. No trustee or examiner has been appointed in these chapter 11 cases. Pursuant to the Case Management Order and the Interim Compensation Order, notice of this Application has been given to those parties set forth on the General Service List, as set forth on Exhibit A to the Case Management Order, dated April 10, 2001, as amended. In light of the nature of the relief requested herein, DP&W submits that no other or further notice is required.

WHEREFORE, Davis Polk & Wardwell respectfully requests that this Court (i) approve Davis Polk & Wardwell's request for compensation in the sum of \$2,784,439.25 for actual, reasonable and necessary professional services rendered on behalf of the Debtors during the period from the Petition Date through March 22, 2004 and reimbursement in the amount of \$315,146.27 for actual, reasonable and necessary expenses incurred during that period; and (ii) direct that DP&W may apply the Retainer as payment of any amounts not already paid, with the balance, if any, to be returned to the Debtors.

Dated: March 18, 2004
New York, New York

DAVIS POLK & WARDWELL



Karen E. Wagner
Patrick A. Bradford
James I. McClammy
450 Lexington Avenue
New York, NY 10017
(212) 450-4000

Special Counsel for Debtors and
Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

-----X
In re: : Chapter 11
: :
LTV STEEL COMPANY, INC., : Case No. 00-43866 (WTB)
a New Jersey Corporation, et al., : :
: :
Debtors. : Jointly Administered
: :
-----X

ORDER

AND NOW, this ____ day of _____, 2004, it is hereby ORDERED:

1. That the Ninth Interim and Final Application Of Davis Polk & Wardwell, Special Counsel To Debtors and Debtors-in-Possession, For Allowance Of Compensation And Reimbursement Of Expenses for the period from the Petition Date through March 22, 2004 be, and the same hereby is, GRANTED.

2. That there SHALL BE ALLOWED TO Davis Polk & Wardwell by the Debtors interim compensation in the amount of \$2,784,439.75 for actual, reasonable and necessary services rendered by it on behalf of the Committee and \$315,146.27 for actual, reasonable and necessary expenses incurred by it in rendering such services. Of these amounts, \$338,563.33 is outstanding.

3. Davis Polk & Wardwell is hereby authorized to apply funds remaining in the pre-petition retainer paid to it by LTV Steel Company, Inc. ("LTV Steel") to the outstanding amount, with the excess, if any, to be returned to LTV Steel or its respective estate.

UNITED STATES BANKRUPTCY JUDGE