

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

In re: : **Chapter 11**
: **LTV STEEL COMPANY, INC.,** : **Jointly Administered**
a New Jersey corporation, et al., : **Case No. 00-43866**
: **Debtors.** : **Chief Judge Randolph Baxter**

**APPLICATION OF HENNIGAN, BENNETT & DORMAN LLP
AS SPECIAL FINANCING AND LITIGATION COUNSEL FOR THE
COPPERWELD DEBTORS FOR INTERIM ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM JANUARY 1, 2003
THROUGH DECEMBER 17, 2003 AND FINAL ALLOWANCE OF COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM NOVEMBER 20,
2001 THROUGH AND INCLUDING DECEMBER 17, 2003**

Name of Applicant:	Hennigan, Bennett & Dorman LLP ("HBD")
Authorized to provide Professional Services To:	The above captioned debtors and debtors in possession
Date of Retention:	<u>Order entered January 31, 2001</u>
Period for which Interim compensation and reimbursement is sought (the " <u>Interim Fee Period</u> "):	January 1, 2003 through <u>December 17, 2003</u>
Amount of compensation for services sought as actual, reasonable, and necessary for the Interim Fee Period:	<u>\$77,666.00</u>
Amount of expenses sought to be reimbursed as actual, reasonable, and necessary for the Interim Fee Period:	<u>\$10,302.29</u>
Period for which Final compensation and reimbursement is sought (the " <u>Final Fee Period</u> "):	November 20, 2001 through <u>December 17, 2003</u>
Amount of Compensation for Services Sought as Actual, Reasonable, and Necessary for Final Fee Period:	<u>\$465,137.00</u>
Amount of Expenses Sought to be Reimbursed as Actual, Reasonable, and Necessary for Final Fee Period:	<u>\$44,969.15</u>
Total Amount of Compensation and Expenses Sought as Actual, Reasonable, and Necessary for Final Fee Period:	<u>\$510,106.15</u>

FINAL FEE PERIOD

Name of Professional	Position with HBD and Number of Years in that Position	Hourly Rates	Total Hours	Total Compensation
Bruce Bennett	Joined HBD as a partner in 1995; Member of the California Bar since 1982	2003 - \$600.00 2002 - \$550.00 2001 - \$520.00	6.70	\$3,565.00
Bennett Murphy	Joined HBD as a partner in 2000; Member of the California Bar since 1994	2003 - \$540.00 2002 - \$490.00 2001 - \$475.00	390.65	\$193,624.50
Joshua Mester	Joined HBD as an associate in 1999; Member of the California Bar since 1998	2003 - \$330.00 2002 - \$295.00 2001 - \$240.00	816.70	\$239,921.50
David Okada	Joined HBD in 1994; Financial Consultant for 13 years	2003 - \$310.00 2002 - \$300.00 2001 - \$275.00	0.30	\$90.00
Karen Kupetz	Joined HBD as an associate in 2001; Member of the California Bar since 2000	2003 - \$275.00 2002 - \$260.00 2001 - \$225.00	1.10	\$286.00
Marjon Ghasemi	Joined HBD as an associate in 2001; Member of the California Bar since 2000	2003 - N/A 2002 - \$225.00 2001 - \$210.00	47.70	\$10,732.50
Scott Krog	Joined HBD in 2000; Financial Consultant for 9 years	2003 - \$245.00 2002 - \$225.00 2001 - \$185.00	6.40	\$1,440.00
Nicholas Merkin	Joined HBD as an associate in 2002; Member of the California Bar since 2002	2003 - \$240.00 2002 - \$210.00 2001 - N/A	6.60	\$1,386.00
John Jones	Joined HBD as an associate in 2002; Member of the California Bar since 2001	2003 - \$240.00 2002 - \$210.00 2001 - N/A	11.90	\$2,856.00

FINAL FEE PERIOD

Name of Professional	Position with HBD and Number of Years in that Position	Hourly Rates	Total Hours	Total Compensation
Joanne Stern	Joined HBD in 1999; Paralegal for 14 years	2003 - \$170.00 2002 - \$165.00 2001 - \$165.00	8.30	\$1,376.50
Kevin Floyd	Joined HBD in 2000; Paralegal for 3 years	2003 - \$160.00 2002 - \$150.00 2001 - \$130.00	60.50	\$9,196.00
John Bass	Joined HBD in 2000; Paralegal for 2 years	2003 - \$100.00 2002 - \$90.00 2001 - \$60.00	9.50	\$663.00
TOTALS	(Excluding Paraprofessionals)		1,288.05	\$453,901.50
TOTALS	(Including Paraprofessionals)		1,366.35	\$465,137.00

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Debtors.	:	Chief Judge Randolph Baxter

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2001 THROUGH AND INCLUDING DECEMBER 17, 2003**

**TO THE HONORABLE RANDOLPH BAXTER,
CHIEF UNITED STATES BANKRUPTCY JUDGE:**

Pursuant to sections 330 and 331 of the Bankruptcy Code and Rule 2016 of the Federal Rules of Bankruptcy Procedure, Hennigan, Bennett & Dorman LLP (“HBD”), hereby moves this Court for an order, substantially in the form attached hereto as Exhibit E, awarding HBD reasonable compensation for the professional services rendered as special financing and litigation counsel to Copperweld Corporation and its affiliates that are debtors and debtors in possession in the above captioned cases (collectively, the “Copperweld Debtors”) on an interim basis for the period of January 1, 2003 through and including December 17, 2003 (the “Interim Fee Period”) in the amount of \$77,666.00, together with reimbursement for actual and necessary expenses incurred in the amount of \$10,302.29, and on a final basis for the period from November 20, 2001 through December 17, 2003 (the “Final Fee Period”), in the amount of \$465,137.00, together with reimbursement for actual and necessary expenses incurred in the amount of

\$44,969.15, plus such other amounts incurred in the preparation of this application. In support of this application, HBD represents as follows:

INTRODUCTION

The Copperweld Debtors, along with the other above-captioned debtors, had participated in the prepetition sale of their accounts receivable to certain bankruptcy remote special purpose entities. These special purpose entities pledged these assets as collateral to a group of lenders that financed the purported acquisition of these assets. The Debtors retained HBD to assert the Debtors' rights to continue to use the proceeds of those accounts receivables and other assets in the operation of its business by challenging whether the prepetition sales of accounts receivable were "true sales." HBD successfully settled the "true sale" litigation by negotiating two separate postpetition financing facilities for the benefit of all of the Debtors.

The Copperweld Debtors also asked HBD to advise them with respect to their rights against certain lenders under a \$200 million prepetition term loan that was secured by liens against substantially all of the Copperweld Debtors' assets. Based upon HBD's experience in negotiating and documenting the postpetition financing facilities, the Debtors asked HBD to assist in the implementation of LTV Steel Company, Inc.'s ("LTV Steel") plan to shutdown the integrated steel business and liquidate its assets (the "APP"). Because the APP also terminated the commitments under the remaining postpetition financing facilities, the Copperweld Debtors requested HBD to assist in securing separate financing for the Copperweld Debtors to allow them to continue to operate after LTV Steel implemented the APP.

HBD successfully negotiated, documented, and obtained court approval of \$10 million of short term financing for the Copperweld Debtors. In the meantime, HBD negotiated a larger and longer-term facility, ultimately obtaining approval of a \$300 million postpetition financing facility for the Copperweld Debtors that "rolled-up" the prepetition term loan and provided \$100 million of additional liquidity to support the Copperweld Debtors' operations. HBD continued to advise the Copperweld Debtors with respect to their rights and obligations under the postpetition

financing facility to assist their exit from chapter 11 pursuant to consummation of their confirmed joint plan of reorganization on December 17, 2003.

BACKGROUND

General Background

1. On December 29, 2000 (the "Petition Date"), Debtor LTV Steel and 48 of its affiliates commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On February 8, 2002, two additional Debtors commenced their respective chapter 11 cases. By orders entered on the Petition Date and March 26, 2002, the Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered.

2. The Debtors are continuing in possession of their respective properties as debtors and debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

3. On January 10, 2001, 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 the Debtors 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 in the Debtors' chapter 11 cases, pursuant to section 1102 of the Bankruptcy Code (the "Noteholders' Committee"). On February 27, 2003, the U.S. Trustee appointed an amended committee of administrative creditors in the LTV Steel case (the "Administrative Claimants' Committee") and together with the Unsecured Creditors' Committee and the Noteholders' Committee, the "Committees"). 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 ("LTV"), 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 is engaged in, among other things, the manufacture and sale of (i) mechanical and structural tubular products, (ii) pipe and conduit, (iii) bimetallic wire and (iv) automotive products.

7. By 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 Sale”) to WLR Acquisition Co., n/k/a International Steel Group, Inc. (“ISG”). The closing of the Integrated Steel Sale transaction 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 LTV Tubular sale occurred on December 31, 2002. On December 17, 2003, Debtor Copperweld Corporation (“Copperweld”) and its affiliates (collectively, the “Copperweld Debtors”) consummated a confirmed plan of reorganization and emerged from chapter 11.

Retention of HBD:

9. HBD was employed under section 327(a) of the Bankruptcy Code to serve as special financing and litigation counsel to the Debtors in these cases nunc pro tunc as of the Petition Date pursuant to an Order (D.I. 332) entered on January 31, 2001. By that Order, the

Court authorized the Debtors to compensate HBD at the expense of the estates in such amounts as may be subsequently allowed by the Court.

10. At all relevant times, HBD has been and is a disinterested person within the meaning of section 101(14) of the Bankruptcy Code, and HBD has not represented or held, and does not represent or hold, any interest adverse to the interests of the Copperweld Debtors.

11. All services for which compensation is requested by HBD were performed for or on behalf of the Copperweld Debtors and not on behalf of any committee, creditor or other person.

12. The Court entered its Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated January 31, 2001 (the "Interim Compensation Order") (D.I. 334) pursuant to which professionals retained in these cases are authorized to submit monthly invoices to the Debtors, the U.S. Trustee, and counsel for the Committees. If no objection is received within 14 days of service of the monthly fee statement, the Debtors are authorized to pay 80% of the professional's fees and reimburse 100% of the expenses incurred by the professionals.

RELIEF REQUESTED

Authority for Relief

13. HBD makes this 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; (c) 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 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).

Request for Interim and Final Allowance of Compensation and Reimbursement of Expenses

14. HBD hereby seeks interim allowance of compensation and reimbursement of expenses for the Interim Fee Period as follows:

a. Compensation of \$77,666.00 in connection with services during the Interim Fee Period. Attached hereto as Exhibit B is a summary of the services performed by service category during the Interim Fee Period.

b. Reimbursement of actual and necessary expenses of \$10,302.29 incurred in connection with HBD's services during the Interim Fee Period. Attached hereto as Exhibit D is a summary of the expenses by expenses category during the Interim Fee Period.

15. HBD hereby seeks final allowance of compensation and reimbursement of expenses for the Final Fee Period as follows:

a. Compensation of \$465,137.00 in connection with services during the Final Fee Period. Attached hereto as Exhibit B is a summary of the services performed by service category during the Final Fee Period.

b. Reimbursement of actual and necessary expenses of \$44,969.15 incurred in connection with HBD's services during the Final Fee Period. Attached hereto as Exhibit D is a summary of the expenses by expenses category during the Final Fee Period.

Monthly Statements and Prior Payments to HBD

16. HBD has submitted the following Monthly Statements to the Debtors with respect to the Interim Fee Period:

a. For January 1, 2003 through January 31, 2003 - fees of \$27,736.00 and expenses of \$3,066.15 (the "January Statement").

b. For February 1, 2003 through February 28, 2003 - fees of \$7,980.00 and expenses of \$3,125.63 (the "February Statement").

c. For March 1, 2003 through March 31, 2003 - fees of \$1,692.00 and expenses of \$108.90 (the "March Statement").

d. For April 1, 2003 through April 30, 2003 - fees of \$3,189.00 and expenses of \$110.00 (the "April Statement").

e. For May 1, 2003 through May 31, 2003 - fees of \$17,938.00 and expenses of \$2,989.12 (the "May Statement").

f. For June 1, 2003 through June 30, 2003 - fees of \$914.00 and expenses of \$66.88 (the "June Statement").

g. For July 1, 2003 through July 31, 2003 - fees of \$3,168.00 (the "July Statement").

h. For August 1, 2003 through August 31, 2003 - fees of \$2,642.00 and expenses of \$43.23 (the "August Statement").

i. For September 1, 2003 through September 30, 2003 - fees of \$2,804.00 and expenses of \$436.46 (the "September Statement").

j. For October 1, 2003 through October 31, 2003 - fees of \$1,419.00 and expenses of \$6.93 (the "October Statement").

k. For November 1, 2003 through November 30, 2003 - fees of \$3,498.00 and expenses of \$205.22 (the "November Statement").

l. For December 1, 2003 through December 17, 2003 - fees of \$4,686.00 and expenses of \$143.77 (the "December Statement").

17. In total, therefore, HBD has submitted Monthly Statements with respect to the Interim Fee Period for fees of \$77,666.00 and expenses of \$10,302.29. None of the Notice Parties objected to HBD's January, February, March, April, May, June, July and August Statements. As of the date of this Application, none of the Notice Parties objected to HBD's September, October, or November Monthly Statements, which objection deadline is set to expire on the date of this Application. The objection period for HBD's December Statement has not yet expired.

18. On July 29, 2002, HBD filed its Third Interim Fee Application (D.I. 4225) requesting interim approval of \$221,436.50 in fees and \$16593.19 in expenses from the Copperweld Debtors. On October 22, 2002, the Court entered an order (D.I. 4676) approving the Third Interim Fee Application as requested.

19. On October 17, 2002, HBD filed its Fourth Interim Fee Application (D.I. 4640) requesting approval of \$87,515.50 in fees and \$12,576.93 in expenses from the Copperweld Debtors. On November 27, 2002, the Court entered an order (D.I. 4867) approving the Fourth Interim Fee Application as requested.

20. On March 3, 2003, HBD filed its Fifth Interim Fee Application (D.I. 5388) requesting approval of \$78,555.00 in fees and \$5,496.74 in expenses from the Copperweld Debtors. On March 28, 2003, the Court entered an order (D.I. 5495) approving the Fifth Interim Fee Application as requested.

21. HBD has received the following payments on account of Interim Fee Applications and Monthly Fee Statements from the Copperweld Debtors:

- a. On March 20, 2002, HBD received a payment in the amount of \$26,661.85.
- b. On July 19, 2002, HBD received a payment in the amount of \$167,080.54.
- c. On October 8, 2002, HBD received a payment in the amount of \$61,737.86.
- d. On November 6, 2002, HBD received a payment in the amount of \$65,109.97.
- e. On December 9, 2002, HBD received a payment in the amount of \$4,491.70.
- f. On December 16, 2002, HBD received a payment in the amount of \$17,495.90.
- g. On March 3, 2003, HBD received a payment in the amount of \$42,754.16.
- h. On March 10, 2003, HBD received a payment in the amount of \$21,194.88.
- i. On April 11, 2003, HBD received a payment in the amount of \$15,611.00.
- j. On May 19, 2003, HBD received a payment in the amount of \$34,764.58.
- k. On October 31, 2003 HBD received a payment in the amount of \$24,795.70.
- l. On November 10, 2003 HBD received a payment in the amount of \$2,156.83.

22. HBD has classified all services performed for which compensation is sought for the Fee Period into the following categories:

- Case Administration (category 010);
- Fee/Employment Applications (category 040);
- Financing (category 060);

- Claims Administration and Objections (category 070);
- Plan/Disclosure Statement (category 100);
- Litigation (category 120).

HBD has attempted to place the services performed in the category that best relates to the service provided. Because services may relate to one or more categories and are subject to the interpretation of individual timekeepers, services pertaining to one category in fact may be recorded in other categories.

23. Attached hereto as Exhibit A is a detailed chronological statement of services performed by service category during the Final Fee Period, which also includes the Interim Fee Period. The statement is itemized by service categories referenced above and, within each category, includes a summary of the time expended by each of the individuals rendering services applicable to such category and an itemization of the name of the person who rendered a particular service, the date and amount of time expended, and a detailed description of the work performed.

24. During the Final Fee Period, in the exercise of its professional judgment and discretion, HBD voluntarily reduced its invoices for fees and expenses totaling \$38,314.75 relating to services performed for the Copperweld Debtors (which includes reductions are partially attributable to fees for non-working travel time).

SUMMARY OF SERVICES RENDERED

25. HBD was retained by the Debtors to, among other things, advise the Debtors concerning their prepetition credit facilities, loans, and bond indebtedness and obtain and negotiate the terms and conditions of debtor-in-possession financing and use of cash collateral, and obtain the necessary or appropriate orders of the Bankruptcy Court with respect to the foregoing. Accordingly, the majority of HBD's services fall within the category of Financing. The following is a summary of the services provided by HBD in all of its service categories.

26. Case Administration. HBD maintains a master calendar and docket to stay apprised of the deadlines and issues arising in these combined cases which could have an impact on the Debtors' financing needs.

27. During the Interim Fee Period, HBD expended a total of 1.6 hours performing services for the Copperweld Debtors related to the Case Administration Category resulting in fees of \$324.00, at the blended hourly rate of \$202.50. During the Final Fee Period, HBD expended a total of 5.1 hours performing services for the Copperweld Debtors related to the Case Administration Category resulting in fees of \$705.00, at the blended hourly rate of \$138.24.

28. Fee/Employment Applications. HBD's time in this category was spent in preparing its monthly fee statements and interim fee applications, reviewing the compensation procedures in these cases, preparing its monthly fee statements, and responding to the U.S. Trustee's request for expense receipts.

29. During the Interim Fee Period, HBD expended a total of 1.1 hours performing services for the Copperweld Debtors related to the Case Administration Category resulting in fees of \$345, at the blended hourly rate of \$313.64. During the Final Fee Period, HBD expended a total of 3.8 hours performing services for the Copperweld Debtors related to the Fee/Employment Applications Category resulting in fees of \$793.50, at the blended hourly rate of \$208.82.

30. Financing. HBD was retained by the Debtors mere days prior to their commencement of these cases (i) to advise the Debtors concerning their prepetition financing facilities, (ii) to ensure that the Debtors had the right to use cash collateral, in the form of cash derived from collections of accounts receivable and from the sale of inventory, and (iii) to obtain debtor in possession financing that would enable to Debtors to continue to operate as a going concern. HBD, in a very short period of time, successfully obtained the ability to use cash collateral and negotiated and obtained court approval of two DIP Facilities in the aggregate amount of \$700 million.

31. During the Fee Period, HBD continued to advise the Debtors on the application of the postpetition financing facilities (the “DIP Facilities”) to their general business operations. HBD played a central role in the negotiation of financing for the Copperweld Debtors so that the Copperweld Debtors would have access to liquidity after the implementation of the APP. HBD obtained, on behalf of the Copperweld Debtors, approval of \$10 million in bridge financing to allow the Copperweld Debtors to operate while HBD negotiated longer term financing from other sources.

32. HBD successfully negotiated and finalized a postpetition financing facility from General Electric Capital Corporation, and the prepetition term loan lenders (the “Copperweld DIP Lenders”) for up to \$300 million of financing (the “Copperweld Facility”). The Court approved the Copperweld Facility on May 7, 2002. Shortly thereafter, HBD worked with counsel to the lenders under the Copperweld Facility to close the Copperweld Facility thereby providing Copperweld access to more than \$100 million of additional liquidity.

33. HBD also successfully negotiated an extension of the maturity date of the Copperweld Facility that would provide Copperweld with access to financing pending its approval of a plan of reorganization. The Court approved the request for an extension of the Copperweld Facility in May 2003. After closing the Copperweld Facility on May 16, 2002, HBD continued to advise Copperweld on the application of the Copperweld Facility to its business operations and negotiated several amendments and waivers thereto.

34. During the Interim Fee Period, HBD expended a total of 129.6 hours performing services for the Copperweld Debtors related to the Financing Category resulting in fees of \$41,621.00, at the blended hourly rate of \$321.15. During the Final Fee Period, HBD expended a total of 1,097.65 hours performing services for the Copperweld Debtors related to the Financing Category resulting in fees of \$362,951.00, at the blended hourly rate of \$330.66.

35. Claims Administration and Objections. The Claims Administration and Objections category consists of HBD’s review and recommendation concerning a stipulation modifying the bar date to the claims of the Copperweld Debtors’ prepetition term loan lenders.

36. During the Interim Fee Period, HBD did not perform any services for the Copperweld Debtors related to the Claims Administration and Objections Category. During the Final Fee Period, HBD expended a total of .8 hours performing services for the Copperweld Debtors related to the Claims Administration and Objections Category resulting in fees of \$236.00, at the blended hourly rate of \$295.00.

37. Plan/Disclosure Statement. The Plan/Disclosure category consists of HBD's assistance to the Copperweld Debtors in the formulation of a disclosure statement and a plan of reorganization. HBD provided advice with respect to the requisite disclosures of the Copperweld Debtors' financing facilities.

38. During the Interim Fee Period, HBD expended a total of 13.8 hours performing services for the Copperweld Debtors related to the Plan/Disclosure Statement Category resulting in fees of \$4,554.00, at the blended hourly rate of \$330.00. During the Final Fee Period, HBD expended a total of 18.7 hours performing services for the Copperweld Debtors related to the Plan/Disclosure Statement Category resulting in fees of \$5,999.50, at the blended hourly rate of \$320.83.

39. Litigation. HBD assisted the Debtors in advising them of their respective rights on any recovery against third parties for draws under letters of credit. HBD drafted a complaint to recover against these third parties and is pursuing a consensual resolution of the matter. In addition, HBD advised the Copperweld Debtors on their rights with respect to alleged leases for their Portland, Oregon tubular steel manufacturing facility. HBD defended the Copperweld Debtors from a motion for relief from stay with respect to the Portland facility. The Copperweld Debtors have since ceased operating this facility and HBD has preserved all of the estates' rights.

40. During the Interim Fee Period, HBD expended a total of 69.5 hours performing services for the Copperweld Debtors related to the Litigation Category resulting in fees of \$30,822.00, at the blended hourly rate of \$443.48. During the Final Fee Period, HBD expended a total of 240.3 hours performing services for the Copperweld Debtors related to the Litigation Category resulting in fees of \$94,452.00, at the blended hourly rate of \$393.06.

SUMMARY OF DISBURSEMENTS

41. The total amount of expenses incurred by HBD in connection with these cases (after accounting for the write-offs referenced above) during the Final Fee Period is \$44,969.15. Attached hereto as Exhibit C is a chronological list of all expenses incurred by HBD for which reimbursement is sought with respect to the Final Fee Period. Exhibit C includes the detailed listing of such expenses and is broken down into categories of charges, including, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, photocopying charges, travel expenses, and computerized research. HBD has made every effort to limit its expenses and to use the most economical means available for accomplishing the tasks requiring expenditures of costs, and HBD does not charge for non-ordinary overhead expenses such as secretarial and other overtime.

42. Computerized Legal Research. HBD used computerized legal research services in connection with the complex issues facing the Copperweld Debtors in connection with the administration of the DIP Facilities, the negotiation and implementation of the asset protection plan, and the successful closing of two new debtor in possession facilities.

43. HBD's computerized legal research expenses were \$73.96 during the Interim Fee Period and \$12,422.05 during the Final Fee Period.

44. Courier/Overnight Mail. Although HBD attempts to avoid messenger and overnight mail expenses when information can be transmitted by mail, telecopy or email, when messengers must be used, HBD attempts to use the least expensive service available consistent with obtaining delivery within the time required. The charges for messenger services are posted to clients' accounts and reimbursement is requested at actual amounts charged by the outside services.

45. HBD's courier/overnight mail expenses were \$127.35 during the Interim Fee Period and \$420.88 during the Final Fee Period.

46. Court & Legal Process Fees. During the Fee Period, HBD incurred various expenses related to litigation for the Copperweld Debtors. HBD's computerized legal research expenses were \$49.00 during the Interim Fee Period and \$70.00 during the Final Fee Period.

47. Graphics and Production Expenses. During the Fee Period, HBD scanned documents for electronic transmission, rather than utilizing overnight couriers or faxing such documents. HBD charges clients \$.08 per scanned page, which rate is equal to the amount HBD charges its other clients and is intended to cover the costs of supplies and labor associated with these services.

48. HBD's graphics and production expenses were \$15.66 during the Interim Fee Period and \$36.62 during the Final Fee Period.

49. Meals. Because of the immediate and time sensitive issues facing the Copperweld Debtors during the Final Fee Period, HBD often was required to work after normal business hours and on weekends. Also, HBD personnel incurred meal expenses when traveling on the Copperweld Debtors business.

50. HBD's meal expenses were \$52.16 during the Interim Fee Period and \$490.72 during the Final Fee Period.

51. Outside Background Research. During the Fee Period, it was necessary to use outside research services to obtain state certificates and lien searches in order to complete the debtor in possession financing facilities utilized by the Copperweld Debtors. The charges for outside research services are posted to clients' accounts and reimbursement is requested at actual amounts charged by the outside services.

52. HBD's outside background research expenses were \$2.94 during the Interim Fee Period and \$2,041.94 during the Final Fee Period.

53. Parking. HBD's expenses for out-of-office parking (including parking expenses incurred when traveling) were \$34.25 during the Interim Fee Period and \$259.50 during the Final Fee Period.

54. Postage. HBD incurs postage costs for mailing notices to creditors, serving pleadings, and sending general correspondence in the representation of the Copperweld Debtors. Costs for postage also are compiled automatically based upon client account numbers identified when postage is printed by HBD's postage meter and are passed along to the Copperweld Debtors without addition or premium.

55. HBD's postage expenses were \$27.09 during the Interim Fee Period and \$99.53 during the Final Fee Period.

56. Reproduction (In House) and (Outside). HBD generally handles regular and routine photocopying in-house. HBD charges \$.10 per page for in-house photocopying, which amount is intended to cover the costs of supplies and labor associated with providing photocopying services. HBD's photocopy machines automatically record the number of copies made in accordance with the client's account number, which is input into a device attached to the photocopy machine.

57. Whenever feasible, HBD sends large copying projects to outside copy services that charge bulk rates for photocopying. In such instances, unless the client pays such outside services directly, HBD charges its clients the same amount that HBD pays to the outside services.

58. HBD's reproduction expenses were \$1,558.40 during the Interim Fee Period and \$4,562.90 during the Final Fee Period.

59. Telecopy. HBD's telecopy machines automatically record the number of pages sent when the person who is sending the telecopy enters the client's account number into a device attached to the telecopy machine. HBD charges \$.25 per page for outgoing telecopies and does not charge for telecopies received.

60. HBD's telecopy expenses were \$43.75 during the Interim Fee Period and \$131.25 during the Final Fee Period.

61. Telephone. HBD records long distance telephone expenses associated with individual client accounts automatically as the calls are made.

62. HBD's telephone expenses were \$1,055.33 during the Interim Fee Period and \$1,987.73 during the Final Fee Period.

63. Travel and Transportation. HBD attended multiple meetings with the Copperweld Debtors, postpetition lenders, and other professionals, and attended numerous hearings. HBD therefore incurred airfare and other transportation expenses. Adjustments were made to the cost of airfare in Exhibit F to reduce the cost in all instances to coach fare.

64. HBD's travel and transportation expenses were \$7,262.40 during the Interim Fee Period and \$22,358.34 during the Final Fee Period.

LEGAL ARGUMENT

Applicable Standards

65. Section 330(a)(1) of the Bankruptcy Code provides, in pertinent part, for the payment of:

- (A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, professional person, or attorney and by any paraprofessional person employed by any such person; and
- (B) reimbursement for actual, necessary expenses.

11 U.S.C. §§ 330(a)(1). Upon a finding of reasonableness, a court may grant a request for compensation pursuant to section 330 of the Bankruptcy Code.

66. The Sixth Circuit has stated that the "lodestar" method is typically the standard to determine reasonableness:

The Supreme Court has made it clear that the lodestar method of fee calculation is the method by which federal courts should determine reasonable attorney's fees under federal statutes which provide for such fees.

In re Boddy, 950 F.2d 334, 337 (6th Cir. 1991); *see also In re EWI, Inc.*, 208 B.R. 885, 891 (Bankr. N.D. Ohio 1997); *In re Unicast, Inc.*, 214 B.R. 979, 990 (Bankr. N.D. Ohio 1997).

67. HBD's fees during the Final Fee Period were reasonable under the prevailing legal standard and should be allowed on an interim and final basis, as requested herein. The amount of these fees are reasonable given the complexity of the Copperweld Debtors' cases. HBD faced unique and complex issues, as described above, during the Copperweld Debtors' cases that justify the fees requested herein.

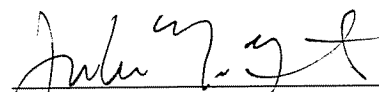
68. HBD further submits that all expenses that HBD advanced on behalf of the Copperweld Debtors were necessarily incurred and are properly charged as administrative expenses of these estates. HBD has reviewed its expenses to ensure that they comply section 330, Local Rule 9301, the Guidelines, and other applicable requirements.

69. The certification of Joshua M. Mester is attached hereto as Exhibit F as required by Local Rule 93-1 and incorporated herein by reference.

WHEREFORE, the HBD respectfully requests that based upon the foregoing, the Court enter an order substantially in the form attached hereto as Exhibit E: (1) approving, on an interim basis, the compensation in the amount of \$77,666.00, together with reimbursement for actual and necessary expenses incurred in the amount of \$10,302.29; (2) approving, on a final basis compensation in the amount of \$465,137.00, together with reimbursement for actual and necessary expenses incurred in the amount of \$44,969.15, plus such other amounts incurred in the preparation of this application; (3) directing the Debtors to pay HBD the unpaid portion of the fees and expenses for the Final Fee Period; and (4) providing such other and further relief as is just and appropriate.

Dated: February 13, 2004

Respectfully submitted,



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