

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

**TENTH INTERIM AND FINAL APPLICATION OF
JONES DAY FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR SERVICES PERFORMED FOR
VP BUILDINGS, INC. AND CERTAIN OF ITS AFFILIATED DEBTORS**

Name of applicant: Jones Day

Authorized to provide professional services to: The above-captioned debtors

Date of retention: December 29, 2000

Period for which compensation and reimbursement is sought: January 1, 2004 through March 7, 2004 (Tenth Interim)
December 29, 2000 through March 7, 2004 (Final)

Amount of compensation requested: \$123,392.45 (Tenth Interim)
\$1,061,239.90 (Final)

Amount of expense reimbursement requested: \$5,277.03 (Tenth Interim)
\$41,373.63 (Final)

This is an: interim final application

A summary of the billing rate for each professional and paraprofessional who billed time during the period for which compensation and reimbursement is sought and the total hours and amount billed for each such person is attached to this Application as Exhibit C and incorporated herein by reference. Jones Day professionals and paraprofessionals devoted time to preparing this Application after March 8, 2004. **Compensation for this time and reimbursement of related expenses will be sought pursuant to the Section IV.B.3.f of the First Amended Joint Plan of Liquidation of VP Buildings, Inc., Its Subsidiary Debtors and Certain of Its Debtor Affiliates, dated November 6, 2003 (D.I. 6830), and Section IV.B.3.f of the Findings of Fact, Conclusions of Law and Order Confirming the First Amended Joint Plan of Liquidation of VP Buildings, Inc., Its Subsidiary Debtors and Certain of Its Debtor Affiliates, dated December 17, 2003 (D.I. 7136).**

Attorneys' blended hourly rate during the compensation period: \$285.20 (Tenth Interim)
\$284.82 (Final)

Period Covered	Fees Requested	Fees Awarded	Expenses Requested	Expenses Awarded	Date Fees and Expenses Awarded
1 st Interim ¹ (12/29/00-4/30/01)	\$112,279.60	\$112,279.60	\$735.10	\$735.10	11/3/01 and 8/21/02
2 nd Interim ² (5/1/01-8/31/01)	\$193,881.10	\$193,881.10	\$11,889.60	\$11,889.60	12/7/01 and 8/21/02
3 rd Interim ³ (9/1/01-12/31/01)	\$32,194.00	\$32,194.00	\$3,387.24	\$3,387.24	11/4/02
4 th Interim (1/1/02-4/30/02)	\$9,368.00	\$9,368.00	\$225.00	\$225.00	10/22/02
5 th Interim (5/1/02-8/31/02)	\$10,491.60	\$10,491.60	\$110.47	\$110.47	11/27/02
6 th Interim (9/1/02-12/31/02)	\$2,797.50	\$2,797.50	\$0.00	\$0.00	3/28/03
7 th Interim (2/1/03-4/30/03)	\$21,969.70	\$21,969.70	\$14.15	\$14.15	7/23/03
8 th Interim (5/1/03-8/31/03)	\$136,379.90	\$136,379.90	\$472.05	\$472.05	12/10/03
9 th Interim (9/1/03-12/31/03)	\$418,486.05	\$418,486.05	\$19,262.99	\$19,262.99	4/14/04
10 th Interim (1/1/04-3/7/04)	\$123,392.45	Approval pending; fee hearing to be scheduled	\$5,277.03	Approval pending; fee hearing to be scheduled	N/A
Grand Total	\$1,061,239.90	\$937,847.45	\$41,373.63	\$36,096.60	

¹ Jones Day voluntarily accepted a reduction of \$28,158.25 in fees and \$14,519.06 in expenses with respect to the first interim fee application, leaving a \$0.00 balance for the first interim period.

² Jones Day voluntarily accepted a reduction of \$13,917.00 in fees and \$1,406.75 in expenses with respect to the second interim fee application. Certain fees and expenses in the amount of \$78,129.78 have not been paid with respect to the second interim period (the "Second Interim Period Unpaid Fees"). Although the Second Interim Period Unpaid Fees remain unpaid, they will not be reflected in this Application because the total amount of such fees relate to other Debtors and were included in the Tenth Interim and First Final Application of Jones Day for Final Allowance of Compensation and Reimbursement of Expenses for Services Performed for the LTV Corporation and Certain of Its Affiliated Debtors (D.I. 7644) (the "LTV First Final Fee Application").

³ Certain fees and expenses in the amount of \$28,536.64 have not been paid with respect to the third interim fee application (the "Third Interim Period Unpaid Fees"). Although the Third Interim Period Unpaid Fees remain unpaid, they will not be reflected in this Application because the total amount of such fees relate to other Debtors and were included in the LTV First Final Fee Application.

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Dated: May 7, 2004

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Jones Day f/k/a Jones, Day, Reavis & Pogue ("Jones Day"), counsel to the above-captioned debtors (collectively, the "Debtors"), hereby makes (i) its tenth application for interim allowance of compensation of \$123,392.45 and reimbursement of related expenses of \$5,277.03 for services performed for Debtor VP Buildings, Inc. ("VP Buildings") and certain of its affiliated Debtors (collectively with VP Buildings, the "Liquidating Debtors")¹ for the period

¹ Specifically, the Liquidating Debtors are comprised of the following Debtors: (a) VP Buildings, United Panel, Inc., Varco Pruden International, Inc. ("VPI") and VP-Graham, Inc. (collectively, the "VP Debtors"); (b) LTV Blanking Corporation ("LTV Blanking"); (c) LTV Steel de Mexico, Ltd. ("LTV Mexico"); and (d) LTV-Walbridge, Inc. ("LTV Walbridge").

from January 1, 2004 through March 7, 2004 (the "Tenth Compensation Period")² and (ii) its application for final allowance of compensation of \$1,061,239.90 and reimbursement of related expenses of \$41,373.63 for services performed for the Liquidating Debtors for the period from December 29, 2000 through March 7, 2004 (collectively, the "Combined Compensation Period").³ As described in greater detail herein, by this Application, Jones Day does not seek interim or final approval of fees or expenses for services performed for Debtors other than the Liquidating Debtors. In support of this Application, Jones Day respectfully represents as follows:

PRELIMINARY STATEMENT

From the outset of these cases, the Liquidating Debtors have demonstrated their commitment to maximizing the value of their estates for the benefit of their creditors in these chapter 11 cases, which are part of the largest, and among the most complex, ever filed in this

² For the period from December 29, 2000 through December 31, 2002 (the "Initial Compensation Period"), Jones Day filed six fee applications for interim allowance and reimbursement of expenses for services performed for all Debtors generally (collectively, the "Initial Six Applications"). By the Initial Six Applications, Jones Day obtained interim approval of, among other fees and expenses, the fees and expenses relating to sales of the Liquidating Debtors' assets (collectively, the "Asset Sales") and other services performed by Jones Day for the Liquidating Debtors as described herein (the "Initial Compensation Period Fees and Expenses"). Jones Day has reviewed the Initial Six Applications and has segregated the Initial Compensation Period Fees and Expenses relating to the Liquidating Debtors. By the LTV First Final Fee Application (as such term is defined below), the Debtors other than the Copperweld Debtors (as such term is defined below) and the Liquidating Debtors (collectively, the "LTV Debtors") sought final approval of all fees and expenses, other than the Initial Compensation Period Fees and Expenses relating to the Liquidating Debtors, included in, among other applications, the Initial Six Applications. As such, this Application now appropriately seeks final allowance of the Initial Compensation Period Fees and Expenses relating to the Liquidating Debtors.

³ The Combined Compensation Period is comprised of (a) the Tenth Compensation Period, (b) the Initial Compensation Period for which Jones Day previously has filed and obtained approval of the Initial Six Applications for services performed for the Debtors generally in these cases and (c) the three prior interim compensation periods between January 1, 2003 through December 31, 2003 (collectively, the "Prior Compensation Periods") for which Jones Day previously has filed and obtained approval of interim fee applications separately identifying the respective charges for services performed for the Liquidating Debtors and other Debtors in these cases.

Court. The Liquidating Debtors began to focus their efforts on formulating a plan of liquidation after the assets of the Liquidating Debtors were liquidated through certain transactions between September 2001 and May 2002. In particular, (a) on September 4, 2001, the Court approved the sale of substantially all of the assets of the VP Debtors to Grupo IMSA S.A. de C.V. ("Grupo IMSA"), and the sale was consummated on September 19, 2002; (b) subsequently, the Court authorized VP Buildings and VPI to (i) transfer VP Buildings' interest in Miller Varco-Pruden to Fitex S.A., (ii) abandon VP Buildings' interest in Varco-Pruden Exports and (iii) abandon VPI's interest in Varco-Pruden Chile; (c) on July 22, 2002, in accordance with an order of the Court approving procedures for miscellaneous asset sales entered on March 21, 2001 and amended by an order entered on November 26, 2001 (collectively, the "Sale Procedures Order"), the Debtors filed a notice of proposed sale with the Court regarding LTV Blanking's membership interest in TWB Company, L.L.C. ("TWB"), its sole asset, to the other current members of TWB, and the sale was consummated on August 16, 2002; (d) on December 18, 2001, in accordance with the Sale Procedures Order, LTV Mexico filed a notice of proposed sale with the Court regarding LTV Mexico's interest in Lagermex S.A. de C.V., LTV Mexico's sole asset, to Thyssen Krupp Werkstoffee GmbH, and the sale was consummated on February 1, 2002; and (e) on April 26, 2002, in accordance with the Sale Procedures Order, LTV Steel Company, Inc. ("LTV Steel") and LTV-Walbridge filed a notice of proposed sale with the Court regarding the sale of LTV-Walbridge's interest in Walbridge Coating, the sole asset of LTV-Walbridge, to Material Sciences Corporation, and the sale was consummated on May 13, 2002.

As counsel to the Liquidating Debtors, Jones Day aggressively pursued the Liquidating Debtors' goal, of liquidating their assets and confirming a plan of liquidation in a manner that maximized the value of their estates for the benefit of all parties. With these goals

in mind, Jones Day successfully assisted the Liquidating Debtors in developing and confirming a plan of liquidation. With Jones Day's significant assistance, (a) the Liquidating Plan (as such term is defined below) and the related disclosure statement were formulated and prepared, (b) the Liquidating Plan was successfully confirmed at a hearing on December 17, 2003 and (c) the transactions contemplated by the Liquidating Plan were successfully implemented to permit the Liquidating Plan to become effective on March 8, 2004.

The successful completion of the Asset Sale process and the development, confirmation and implementation of the Liquidating Plan required the coordinated and dedicated efforts of Jones Day bankruptcy, corporate, tax and other attorneys over the course of these cases to address the issues faced by the Liquidating Debtors. These attorneys worked closely with the Liquidating Debtors' management and the other key constituencies in these cases to ensure that the Liquidating Debtors' sale process and plan process moved forward expeditiously and, to the fullest extent possible, on a consensual basis with all of the Liquidating Debtors' major stakeholders.

In addition, Jones Day took a leading role in the day-to-day administration of the Liquidating Debtors' chapter 11 cases in an effort to minimize the adverse impact of the Liquidating Debtors' chapter 11 filings on the operation of the VP Debtors' businesses and estates. For example, upon the commencement of these cases, Jones Day assisted the Liquidating Debtors, as well as the other Debtors, in stabilizing their businesses and achieving a "soft landing" in chapter 11 through a series of motions in the initial weeks of these cases to address a variety of specific business concerns. Among other things, these motions and related activities permitted the VP Debtors to (a) pay prepetition employee wages and benefits without interruption, (b) honor prepetition obligations to customers necessary to preserve key business

relationships, (c) pay the prepetition claims of critical vendors and service providers essential to the continued operation of the VP Debtors' businesses, (d) establish and maintain essential cash management procedures, (e) determine adequate assurance of payment of future utility services, (f) continue their workers' compensation insurance programs and (g) resolve numerous other important administrative issues.⁴

Throughout these cases, Jones Day also assisted the Liquidating Debtors in numerous other matters necessary to comply with the Liquidating Debtors' obligations as debtors in possession under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the "Bankruptcy Code"), and to accomplish the Liquidating Debtors' goal of maximizing the value of their estates for the benefit of all stakeholders. For example, during the postpetition period, Jones Day assisted the VP Debtors in rejecting certain burdensome executory contracts to mitigate ongoing losses at certain of the VP Debtors' operating facilities. In addition, Jones Day assisted the Liquidating Debtors in maximizing the value of their assets by, among other things, assisting in the sale process and obtaining approval of the Asset Sales, including the assumption and assignment of critical executory contracts and unexpired leases.

During these cases, Jones Day also devoted significant time to, among other things, the following: (a) assisting in the preparation of voluminous schedules of assets and liabilities, statements of financial affairs and other documents required by the Court or the United States Trustee for the Northern District of Ohio (the "U.S. Trustee"); (b) implementing procedures to administer the claims process in these cases, including by assisting in the analysis

⁴ Although the Liquidating Debtors were among the beneficiaries of this effort to achieve a "soft landing," Jones Day did not charge these fees and expenses separately to the Liquidating Debtors, and these amounts were not included in this Application.

and reconciliation of the thousands of claims asserted against the Liquidating Debtors' estates and the prosecution and resolution of objections with respect to certain of these claims; (c) addressing and resolving requests for relief from the automatic stay imposed by section 362 of the Bankruptcy Code and other requests by creditors for relief from the Court; (d) completing the steps necessary for the Liquidating Debtors to retain estate professionals and resolve other issues relating to the retention and payment of professionals; and (e) addressing numerous other bankruptcy, corporate, tax and other issues that arose in the ordinary course of the Liquidating Debtors' businesses during the pendency of these cases.

In sum, Jones Day's services in connection with the foregoing matters and the other matters described in this Application, in the Prior Applications (as such term is defined below) and in the Initial Six Applications demonstrate the extent and breadth of Jones Day's services requested by the Liquidating Debtors so that they could achieve their business and legal objectives in these cases. Jones Day believes that its efforts on these various matters were instrumental in (a) successfully completing the Asset Sales, (b) achieving confirmation of the Liquidating Plan, (c) addressing the various issues that arose in these complex cases and (d) maximizing the value of the Liquidating Debtors' estates to the fullest extent possible under the circumstances for the direct benefit of their estates and creditors. Because of the substantial assistance that Jones Day rendered to the Liquidating Debtors in these cases, Jones Day submits that it is entitled to the interim and the final allowance of the fees and reimbursement of the expenses requested herein.

BACKGROUND

General Background

1. On December 29, 2000 (the "Petition Date"), VP Buildings and 48 of its affiliates commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On March 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 administered jointly. Pursuant to the Liquidating Plan and the Confirmation Order (as such terms are defined below), the estates of the VP Debtors have been substantively consolidated.

2. On January 10, 2001, 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 a committee of administrative creditors solely in the chapter 11 case of LTV Steel, which is not one of the Liquidating Debtors. On March 27, 2003, the U.S. Trustee filed its notice of disbandment of the Unsecured Creditors' Committee.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and Article XII of the Liquidating Plan. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

4. Debtor The LTV Corporation, a Delaware corporation was the direct or indirect parent of each of the Liquidating Debtors.

5. As of the Petition Date, (a) the VP Debtors were engaged in the business of engineering and manufacturing pre-engineered, low-rise steel building systems for manufacturing, warehousing and commercial applications and (b) the other Liquidating Debtors owned interests in steel-related joint ventures.

6. By an order entered on September 4, 2001, the Court authorized the Debtors to sell the assets of the VP Debtors to Grupo IMSA for \$106 million in cash and the assumption of certain liabilities of the VP Debtors (including supply contract bonds and notary bonds in the amount of approximately \$450,000). The sale to Grupo IMSA was consummated on September 19, 2002.

7. On November 17, 2003, the Court entered an order (D.I. 6914) (the "Intercompany Claims Settlement Order") approving the settlement agreement dated August 13, 2003 (the "Intercompany Claims Settlement") to address and resolve any and all claims by one Debtor against another Debtor (collectively, the "Intercompany Claims"). Upon approval of the Intercompany Claims Settlement Order, amounts in excess of \$60,505,501, plus additional conditional settlement proceeds, if any, as set forth in the Liquidating Plan, were distributed to the Liquidating Debtors' estates to fund the distribution trust established pursuant to Section IV.B.3 of the Liquidating Plan (the "Distribution Trust"). As a result of the Intercompany Claims Settlement, all Intercompany Claims were resolved and extinguished and the Debtors released each other from any further liability with respect to such claims.

8. 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") consummated the transactions contemplated by the Copperweld Plan.

9. On December 17, 2003, the Court entered an order (D.I. 7136) (the "Confirmation Order") confirming the First Amended Joint Plan of Liquidation of VP Buildings, Inc., Its Subsidiary Debtors and Certain of Its Debtor Affiliates (D.I. 6830) (the "Liquidating Plan"), filed by the Liquidating Debtors. On March 8, 2004 (the "Effective Date"), the Liquidating Plan became effective in accordance with its terms. As of the Effective Date, the Liquidating Debtors were dissolved, the assets of the Liquidating Debtors' estates were transferred to the Distribution Trust and the Noteholders' Committee was disbanded.

Jones Day's Retention

10. On January 10, 2001, the Debtors filed their application to retain and employ Jones Day as their counsel (the "Retention Application"). On February 6, 2001, the Court entered an order (D.I. 376) (the "Retention Order") authorizing the retention of Jones Day as the Debtors' counsel to perform any and all necessary or appropriate legal services on behalf of the Debtors in connection with these chapter 11 cases, *nunc pro tunc* as of the Petition Date. A copy of the Retention Order is attached hereto as Exhibit A and incorporated herein by reference. As described in the Retention Application, Jones Day charges for its services in these cases in accordance with its ordinary and customary hourly rates in effect on the dates that services are rendered. These rates are identical to those charged by Jones Day for similar services in other bankruptcy and nonbankruptcy matters.

Case Billing Practice

11. Since the Petition Date, and prior to the filing of this Application, the Debtors filed nine fee applications for approval of interim allowance of compensation and

reimbursement of expenses (each, an "Interim Fee Application"). The first three Interim Fee Applications (collectively, the "2001 Fee Applications"), were filed between December 29, 2000 and December 31, 2001 on a consolidated basis for all of the Debtors (i.e., fees and expenses were not allocated among the individual LTV Debtors). The next three Interim Fee Applications (collectively, the "2002 Fee Applications") were filed between January 1, 2002 and December 31, 2002 and segregated the fees and expenses incurred on behalf of the Copperweld Debtors from the fees and expenses incurred on behalf of the remaining Debtors. The last three Interim Applications were filed between January 1, 2003 and December 31, 2003 and segregated the fees and expenses (based on the entity or entities on whose behalf the fees and expenses were incurred) among (a) the Copperweld Debtors, (b) the Liquidating Debtors and (c) the LTV Debtors.

12. Although Jones Day did not segregate the fees and expenses of the Liquidating Debtors from the LTV Debtors in either the 2001 Fee Applications or the 2002 Fee Applications, Jones Day has reviewed the 2001 Fee Applications and the 2002 Fee Applications and has manually segregated all fees and expenses identifiable as being incurred on behalf of the Liquidating Debtors during these periods. Accordingly, this Application seeks final approval of all fees and expenses identifiable as being incurred on behalf of the Liquidating Debtors since December 29, 2000 through March 7, 2004.

Incorporation of Prior Fee Applications

13. As identified on the cover sheet attached to this Application, and as set forth in greater detail below, Jones Day has filed (a) three prior applications for interim allowance of compensation and reimbursement of expenses for services performed for all Debtors, but separately identifying the fees and expenses allocable to the Liquidating Debtors for

the period January 1, 2003 through December 31, 2003 (collectively, the "Prior Applications"), requesting interim allowance of fees and reimbursement of expenses for the Prior Compensation Periods, and (b) the Initial Six Applications seeking interim allowance of compensation and reimbursement of expenses for the Initial Compensation Period Fees and Expenses relating to the Liquidating Debtors on a consolidated basis with the fees and expenses for the Initial Compensation Period relating to the other Debtors. In support of the final allowance of fees and reimbursement of expenses sought in this Application, Jones Day incorporates herein by reference (a) the Prior Applications and (b) the Initial Six Applications, solely to the extent that the Initial Six Applications relate to the Initial Compensation Period Fees and Expenses for the Liquidating Debtors.

14. In addition, pursuant to 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 (D.I. 334) (the "Interim Compensation Order"), professionals in these chapter 11 cases are authorized to submit a statement of fees and expenses (a "Monthly Statement") to the Debtors for payment on a monthly basis. The Debtors are directed to pay 80% of the fees requested in a professional's Monthly Statement and 100% of the expenses incurred, unless one of the Notice Parties (as such term is defined in the Interim Compensation Order) objects to the Monthly Statement within 15 days after service of the Monthly Statement. The remaining 20% of the professional fees requested in the Monthly Statement (or such greater amount of fees and expenses subject to an objection) is held back until a hearing on allowance of such fees, at which time they become payable to the extent allowed by the Court.

15. On February 13, 2004, Jones Day filed the Ninth Application of Jones Day for Interim Allowance of Compensation and Reimbursement of Expenses for the Period September 1, 2003 Through December 31, 2003 (D.I. 7444) (the "Ninth Interim Fee Application"). By the Ninth Interim Fee Application, Jones Day sought interim allowance of fees and reimbursement of expenses for the period from September 1, 2003 through December 31, 2003 (the "Ninth Compensation Period") for services performed for the Debtors other than the Copperweld Debtors and separately identified the fees and expenses relating to the Liquidating Debtors.⁵ The Monthly Statements submitted by Jones Day with respect to the Ninth Compensation Period are described in the Ninth Interim Fee Application. On April 14, 2004, the Court entered an order with respect to the Ninth Interim Fee Application (D.I. 7787), approving (a) an interim allowance of compensation aggregating \$1,619,793.65 for the LTV Debtors and the Liquidating Debtors, which amount included \$418,486.05 for services performed specifically for the Liquidating Debtors, and (b) reimbursement of related expenses aggregating \$122,520.16 for the LTV Debtors and the Liquidating Debtors, which amount included \$19,262.99 in connection with services performed specifically for the Liquidating Debtors.

16. During the Ninth Compensation Period, on October 16, 2003, Jones Day filed the Eighth Application of Jones Day for Interim Allowance of Compensation and Reimbursement of Expenses for the Period May 1, 2003 Through August 31, 2003 (D.I. 6663) (the "Eighth Interim Fee Application") for services performed for all Debtors and separately

⁵ With respect to services performed for the Copperweld Debtors, on April 14, 2004, the Court entered an order (D.I. 7786) with respect to the Ninth Interim and Final Application approving a final allowance of compensation of \$3,930,263.85 and reimbursement of related expenses of \$284,887.00.

identified the fees and expenses relating to the Liquidating Debtors.⁶ By the Eighth Interim Fee Application, Jones Day sought interim allowance of fees and reimbursement of expenses for the period from May 1, 2003 through August 31, 2003 (the "Eighth Compensation Period"). The Monthly Statements submitted by Jones Day with respect to the Eighth Compensation Period are described in the Eighth Interim Fee Application. On December 10, 2003, the Court entered an order with respect to the Eighth Interim Fee Application (D.I. 7087), approving (a) an interim allowance of compensation aggregating \$2,091,785.55 for all Debtors combined, which amount included \$136,379.90 for services performed specifically for the Liquidating Debtors, and (b) reimbursement of related expenses aggregating \$123,009.88 for all Debtors combined, which amount included \$472.05 in connection with services performed specifically for the Liquidating Debtors.

17. During the Eighth Compensation Period, on June 17, 2003, Jones Day filed the Seventh Application of Jones Day for Interim Allowance of Compensation and Reimbursement of Expenses for the Period January 1, 2003 Through April 30, 2003 (D.I. 5756) (the "Seventh Interim Fee Application"). By the Seventh Interim Fee Application, Jones Day sought interim allowance of fees and reimbursement of expenses for the period from January 1, 2003 through April 30, 2003 (the "Seventh Compensation Period")⁷ for all Debtors and separately identified the fees and expenses relating to the Liquidating Debtors. The Monthly Statements submitted by Jones Day with respect to the Seventh Compensation Period are

⁶ The Eighth Interim Fee Application and all prior interim fee applications included fees allocable to the Copperweld Debtors, the Liquidating Debtors and the LTV Debtors. From and after December 7, 2001, the interim fee applications segregated fees and expenses among the Copperweld Debtors and the other Debtors.

⁷ As mentioned above, beginning during the Seventh Compensation Period on February 1, 2003, fees and expenses for the Liquidating Debtors were recorded separately from the fees and expenses of the LTV Debtors.

described in the Seventh Interim Fee Application. On July 23, 2003, the Court entered an order with respect to the Seventh Interim Fee Application (D.I. 5886), approving (a) an interim allowance of compensation aggregating \$1,606,534.55 for the Debtors combined, which amount included \$21,969.70 for services performed specifically for the Liquidating Debtors, and (b) reimbursement of related expenses aggregating \$100,413.63 for all Debtors combined, which amount included \$14.15 in connection with services performed specifically for the Liquidating Debtors.

18. During the Seventh Compensation Period, on February 19, 2003, Jones Day filed the Sixth Application of Jones Day for Interim Allowance of Compensation and Reimbursement of Expenses for the Period September 1, 2002 Through December 31, 2002 (D.I. 5318) (the "Sixth Interim Fee Application"). By the Sixth Interim Fee Application, Jones Day sought interim allowance of fees and reimbursement of expenses for the period from September 1, 2002 through December 31, 2002 (the "Sixth Compensation Period") for all Debtors on a consolidated basis. The Monthly Statements submitted by Jones Day with respect to the Sixth Compensation Period are described in the Sixth Interim Fee Application. On March 28, 2003, the Court entered an order (D.I. 5496) with respect to the Sixth Interim Fee Application approving (a) an interim allowance of compensation aggregating \$1,616,784.45 for all Debtors combined, which amount included \$2,797.70 for services performed specifically for the Liquidating Debtors, and (b) reimbursement of related expenses aggregating \$131,979.03. There were no expenses incurred for services performed on behalf of the Liquidating Debtors during the Sixth Compensation Period.

19. During the Sixth Compensation Period, on November 1, 2002, Jones Day filed the Fifth Application of Jones Day for Interim Allowance of Compensation and

Reimbursement of Expenses for the Period May 1, 2002 Through August 31, 2002 (D.I. 4704) (the "Fifth Interim Fee Application"). By the Fifth Interim Fee Application, Jones Day sought interim allowance of fees and reimbursement of expenses for the period from May 1, 2002 through August 31, 2002 (the "Fifth Compensation Period") for all Debtors on a consolidated basis. The Monthly Statements submitted by Jones Day with respect to the Fifth Compensation Period are described in the Fifth Interim Fee Application. On November 27, 2003, the Court entered an order (D.I. 4866) with respect to the Fifth Interim Fee Application approving (a) an interim allowance of compensation aggregating \$2,124,228.30 for all Debtors combined, which amount included \$10,491.60 for services performed specifically for the Liquidating Debtors, and (b) reimbursement of related expenses aggregating \$211,486.48 for all Debtors combined, which amount included \$110.47 in connection with services performed specifically for the Liquidating Debtors.

20. During the Fifth Compensation Period, on June 27, 2002, Jones Day filed the Fourth Application of Jones Day for Interim Allowance of Compensation and Reimbursement of Expenses for the Period January 1, 2002 Through April 30, 2002 (D.I. 4150) (the "Fourth Interim Fee Application"). By the Fourth Interim Fee Application, Jones Day sought interim allowance of fees and reimbursement of expenses for the period from January 1, 2002 through April 30, 2002 (the "Fourth Compensation Period") for all Debtors on a consolidated basis. The Monthly Statements submitted by Jones Day with respect to the Fourth Compensation Period are described in the Fourth Interim Fee Application. On October 22, 2002, the Court entered an order (D.I. 4669) with respect to the Fourth Interim Fee Application approving (a) an interim allowance of compensation aggregating \$3,047,528.20 for all Debtors Combined, which amount included \$9,368.00 for services performed specifically for the

Liquidating Debtors, and (b) reimbursement of related expenses of \$297,941.51 for all Debtors combined, which amount included \$225.00 in connection with services performed specifically for the Liquidating Debtors.

21. During the Fourth Compensation Period, on April 3, 2002, Jones Day filed the Third Application of Jones Day for Interim Allowance of Compensation and Reimbursement of Expenses for the Period September 1, 2001 Through December 31, 2001 (D.I. 2772) (the "Third Interim Fee Application"). By the Third Interim Fee Application, Jones Day sought interim allowance of fees and reimbursement of expenses for the period from September 1, 2001 through December 31, 2001 (the "Third Compensation Period") for all Debtors on a consolidated basis. The Monthly Statements submitted by Jones Day with respect to the Third Compensation Period are described in the Third Interim Fee Application. On November 4, 2002, the Court entered an order (D.I. 4735) with respect to the Third Interim Fee Application approving (a) an interim allowance of compensation aggregating \$2,537,982.35 for all Debtors Combined, which amount included \$32,194.00 for services performed specifically for the Liquidating Debtors, and (b) reimbursement of related expenses aggregating \$256,277.35, which amount included \$3,387.24 in connection with services performed specifically for the Liquidating Debtors.

22. During the Third Compensation Period, on October 24, 2001, Jones Day filed the Second Application of Jones Day for Interim Allowance of Compensation and Reimbursement of Expenses for the Period May 1, 2001 Through August 31, 2001 (D.I. 1819) (the "Second Interim Fee Application"). By the Second Interim Fee Application, Jones Day sought interim allowance of fees and reimbursement of expenses for the period from May 1, 2001 through August 31, 2001 (the "Second Compensation Period") for all Debtors on a consolidated basis. The Monthly Statements submitted by Jones Day with respect to the

Second Compensation Period are described in the Second Interim Fee Application. On December 7, 2001 (D.I. 2080), and August 21, 2002 (D.I. 4320), the Court entered orders with respect to the Second Interim Fee Application approving an interim allowance of (a) compensation of \$2,542,818.05 and reimbursement of related expenses of \$314,834.05, pursuant to Order Granting Second Application of Jones Day for Interim Allowance of Compensation and Reimbursement of Expenses for the Period May 1, 2001 Through August 31, 2001 (the "Second Interim Fee Application Order"); and (b) additional fees of \$62,000.00 and expenses of \$882.55, pursuant to Order Awarding Interim Allowance of Fees and Expenses That Were Subject to Pending Objections from First and Second Prior Fee Applications (the "Supplemental Fee Application Order"). For services specifically performed for the Liquidating Debtors during the Second Compensation Period, the aggregate amount of compensation approved by the Court was \$193,881.10 and the aggregate amount of expenses approved by the Court was \$11,889.60.

23. Prior to the Second Compensation Period, Jones Day filed the First Application of Jones Day for Interim Allowance of Compensation and Reimbursement of Expenses for the Period December 29, 2000 Through April 30, 2001 (D.I. 1197) (the "First Interim Fee Application"). By the First Interim Fee Application, Jones Day sought interim allowance of fees and reimbursement of expenses for the period from the Petition Date through April 30, 2001 (the "First Compensation Period" and, together with the Second Compensation Period, the Third Compensation Period, the Fourth Compensation Period, the Fifth Compensation Period, the Sixth Compensation Period, the Seventh Compensation Period, the Eighth Compensation Period, the Ninth Compensation Period and the Tenth Compensation Period, the "Compensation Periods") for all Debtors on a consolidated basis. The Monthly

Statements submitted by Jones Day with respect to the First Compensation Period are described in the First Interim Fee Application. On November 13, 2001 (D.I. 1850), and August 21, 2002 (D.I. 4320), the Court entered orders with respect to the First Interim Fee Application approving an interim allowance of (a) compensation of \$2,994,799.65 and reimbursement of related expenses of \$281,008.62, pursuant to the Order Granting First Application of Jones Day for Interim Allowance of Compensation and Reimbursement of Expenses for the Period December 29, 2000 Through April 30, 2001 (the "First Interim Fee Application Order"); and (b) additional fees of \$15,797.60 and expenses of \$9,074.17, pursuant to the Supplemental Fee Application Order. For services performed specifically for the Liquidating Debtors in the First Compensation Period, the aggregate amount of compensation approved by the Court was \$112,279.60 and the aggregate amount of expenses approved by the Court was \$735.10.

RELIEF REQUESTED

Authority for Relief

24. Jones Day 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 (the "Bankruptcy Rules"); (c) Section III.A.1.e.ii.A of the Liquidating Plan and Section III.C.1.b.i of the Confirmation Order; (d) the Interim Compensation Order; (e) 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 (f) General Order 93-1 of the United States Bankruptcy Court for the Northern District of Ohio ("Local Rule 93-1"). A copy of the Interim Compensation Order is attached hereto as Exhibit B-1 and incorporated herein by reference. Copies of Section III.A.1.e.ii.A of the Liquidating Plan and Section III.C.1.b.i of the

Confirmation Order are attached hereto collectively as Exhibit B-2 and are incorporated herein by reference.

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

25. Jones Day hereby seeks interim and final allowance of compensation and reimbursement of expenses for the Tenth Compensation Period with respect to services provided to the Liquidating Debtors as follows:

a. Compensation of \$123,392.45 in connection with services rendered to the Liquidating Debtors during the Tenth Compensation Period. Jones Day has identified each of its professionals and paraprofessionals who provided services to the Liquidating Debtors during the Tenth Compensation Period and their respective hourly rates (both collectively and by billing category) on the professional summaries attached hereto collectively as Exhibits C-1 and C-2 and incorporated herein by reference.

A summary of the total hours incurred and fees charged for each billing category — along with the related time detail — for the Tenth Compensation Period is attached hereto collectively as Exhibit D-1 and incorporated herein by reference; and

b. Reimbursement of actual and necessary expenses of \$5,277.03 incurred in connection with Jones Day's services on behalf of the Liquidating Debtors. A summary and itemization of these expenses is attached hereto as Exhibit E-1 and incorporated herein by reference.

26. In addition, Jones Day hereby seeks final allowance of compensation and reimbursement of expenses for the Combined Compensation Period with respect to services provided to the Liquidating Debtors as follows:

a. Compensation of \$1,061,239.90 in connection with services rendered to the Liquidating Debtors during the Combined Compensation Period. Jones Day has identified each of its professionals and paraprofessionals who provided services to the Liquidating Debtors during the Combined Compensation Period and their respective hourly billing rate (both collectively and by billing category) in Exhibits C-3 and C-4 to this Application and as part of similar schedules attached as Exhibit C to the Prior Applications and the Initial Six Applications. A summary of the total hours incurred and fees charged for each billing category for the Combined Compensation Period, along with related time detail, are set forth on Exhibit D-2 to this Application and as part of similar schedules attached as part of Exhibit D to the Prior Applications and the Initial Six Applications. The supporting time detail for each month of the Prior Compensation Periods is attached as part of Exhibit D to each of the Prior Applications. Summaries and itemizations of these expenses incurred during the Prior Compensation Periods are set forth as part of Exhibit E to the Prior Applications;

b. Reimbursement of actual and necessary expenses of \$41,373.63 in connection with Jones Day's services during the Combined Compensation Period. Summaries and itemizations of these expenses incurred during the Combined Compensation Period are set forth in Exhibit E-2 to this Application; and

c. In accordance with Section III.A.1.e.ii.A of the Liquidating Plan and Section III.C.1.b.i of the Confirmation Order, this Application seeks the allowance of compensation and reimbursement of expenses for the period prior to the Effective Date. Pursuant to Section IV.B.3.f of the Liquidating Plan and Section IV.B.3.f of the Confirmation Order, the Distribution Trust is authorized to pay Jones Day's fees and

expenses incurred for the period following the Effective Date, including the fees and expenses incurred in preparing and obtaining approval of this Application, without any further application to or approval by the Court. Accordingly, Jones Day does not request approval of its fees and expenses incurred in connection with this Application (except to the extent such fees and expenses were incurred prior to the Effective Date), but intends to seek payment of these amounts from the Distribution Trust as previously authorized by the Court. Jones Day estimates that the total fees and expenses incurred in preparing and obtaining approval of this Application will be approximately \$50,000.00.

Monthly Statements and Prior Payments to Jones Day

27. Prior to the Petition Date, the Debtors (through The LTV Corporation) paid to Jones Day: (a) actual fees and expenses of \$531,135.47 for services rendered by Jones Day during October 2000 and November 2000; (b) \$1,250,000.00 as a payment for estimated, rather than actual, prepetition fees and expenses for services rendered by Jones Day in December 2000 (the "Estimated Payment"); and (c) a retainer of \$250,000.00 (the "Retainer") for services rendered or to be rendered by Jones Day to the Debtors. On April 2, 2001, in accordance with the terms of the Retention Order, Jones Day filed the Disclosure of Jones Day with Respect to Reconciliation of Prepetition Fees and Expenses (D.I. 806) (the "Reconciliation Statement"), which identified (a) Jones Day's reconciliation, through April 2, 2001, of prepetition fees and expenses actually incurred through December 28, 2000; and (b) the corresponding adjustments made to the amount of the Estimated Payment. The amount of the Estimated Payment held by Jones Day for payment of postpetition fees and expenses, after the adjustments described in the Reconciliation Statement, aggregates \$646,905.07 (the "Additional Adjusted

Retainer").⁸ As provided in the Tenth Interim and First Final Application of Jones Day for Final Allowance of Compensation and Reimbursement of Expenses for Services Performed for The LTV Corporation and Certain of Its Affiliated Debtors (D.I. 7644) (the "LTV First Final Fee Application"), Jones Day intends to apply the Retainer and the Additional Adjusted Retainer to any unpaid fees and expenses approved on a final basis pursuant to the LTV First Final Fee Application.

28. In the Prior Applications and the Initial Six Applications (solely with respect to the Initial Compensation Period Fees and Expenses for the Liquidating Debtors as described herein), Jones Day sought payment of \$937,847.45 in fees and reimbursement of \$36,096.60 in expenses for services provided to the Liquidating Debtors during the Prior Compensation Periods and the Initial Compensation Periods. By the prior fee application orders, the Court granted the fees and expenses requested in the Prior Applications and the Initial Six Applications relating to the Liquidating Debtors in the aggregate amount of \$937,847.45 (the "Approved Fees and Expenses").⁹ All of the Approved Fees and Expenses have been paid.

⁸ The Reconciliation Statement incorrectly identified the Additional Adjusted Retainer as \$676,305.03 instead of \$646,905.07.

⁹ Although certain fees and expenses in the amount of (a) \$78,129.78 have not been paid with respect to the Second Compensation Period and (b) \$28,536.64 have not been paid with respect to the Third Compensation Period (collectively, the "Unpaid Amounts"), it cannot be definitively determined whether the Unpaid Amounts relate to services provided to the Liquidating Debtors or the other Debtors because all of Jones Day's fees and expenses for the Second Compensation Period and the Third Compensation Period were recorded jointly for all the Debtors. As such, because Jones Day has included the Unpaid Amounts in the LTV First Final Fee Application, Jones Day has not included the Unpaid Amounts herein.

In addition, the LTV Debtors agreed to a 50% reduction of \$482.04 in the Ninth Compensation Period for overtime expenses incurred by Jones Day professionals and paraprofessionals and this reduction is not reflected herein since Jones Day, in the LTV First Final Fee Application reflected the reduction in its entirety therein.

29. Jones Day also has submitted the following Monthly Statements to the Liquidating Debtors with respect to the Tenth Compensation Period:

- a. For January 1, 2004 through January 31, 2004 — fees of \$69,529.55 and expenses of \$3,206.61;
- b. For February 1, 2004 through February 29, 2004 — fees of \$45,190.60 and expenses of \$1,835.79;
- c. For March 1, 2004 through March 7, 2004 — fees of \$8,761.90 and expenses of \$234.63.

In total, therefore, with respect to the Tenth Compensation Period, Jones Day has submitted Monthly Statements to the Liquidating Debtors for fees of \$123,392.45 and expenses of \$5,277.03. For the Tenth Compensation Period, Jones Day has received payments from or on behalf of the Liquidating Debtors aggregating \$37,988.27. As of the date of this Application, none of the Notice Parties have objected to Jones Day's Monthly Statements for the Tenth Compensation Period.

30. During the Combined Compensation Period and thereafter through May 4, 2004, Jones Day received the payments identified on Exhibit F on account of work performed for the Liquidating Debtors. In total, therefore, Jones Day has received payments from or on behalf of the Liquidating Debtors aggregating \$1,011,932.32 on account of fees and expenses incurred in connection with these cases through March 7, 2004.¹⁰ None of the

¹⁰ Exhibit F does not reflect payments made on account of services provided to (a) the Copperweld Debtors, which have been included in the Ninth Interim and Final Application of Jones Day for Final Allowance of Compensation and Reimbursement of Expenses for Services Performed for Copperweld Corporation and Certain of Its Affiliated Debtors (D.I. 7442) or (b) the LTV Debtors, which have been included in the LTV First Final Fee Application.

foregoing payments have been shared by Jones Day with any other party, nor are these or any other payments subject to a sharing agreement between Jones Day and any third party.

31. Except as described in paragraphs 27 through 29 above, Jones Day did not receive any payments or promises of payments during the Combined Compensation Periods from any source for services rendered or to be rendered to the Liquidating Debtors in connection with these chapter 11 cases.¹¹

Description of Services Rendered by Jones Day

32. As described in the attached Exhibit D-1, Jones Day professionals and paraprofessionals billed their time during the Tenth Compensation Period to six distinct project billing categories. Below is a summary of the primary activities performed by Jones Day for the Liquidating Debtors during the Tenth Compensation Period in each of those billing categories. Although this summary is intended to highlight areas of particular importance in these cases, a complete description of all such activities is found in the contemporaneous, daily time records included in the attached Exhibit D-1. A detailed summary of the activities performed by Jones Day for the Liquidating Debtors (a) during the Initial Compensation Periods is included in the attached Exhibit D-2 and (b) during the Prior Compensation Periods is attached to the Prior Applications as Exhibit D thereto.

Plan of Reorganization/Disclosure Statement (99.80 hours; \$43,088.70)

33. During the course of the Liquidating Debtors' cases, and in connection with the Liquidating Plan, Jones Day (a) negotiated, drafted and filed the Liquidating Plan, related disclosure statement and amendments, modifications and exhibits thereto; (b) obtained

¹¹ During the Initial Compensation Period, Jones Day received payments from the Debtors for the Initial Compensation Period Fees and Expenses.

approval of solicitation and tabulation procedures related thereto; (c) responded to objections to the Liquidating Plan and the related disclosure statement, including the objections filed by (i) Oil States and (ii) the comptroller of the State of Texas; (d) drafted and filed declarations in support of the Liquidating Plan; (e) prepared and served a recommendation letter in support of the Liquidating Plan; and (f) obtained confirmation of the Liquidating Plan by entry of the Confirmation Order on December 17, 2003.

34. Therefore, Jones Day lawyers devoted significant time during the Tenth Compensation Period reviewing, analyzing and addressing issues relating to the implementation of the Liquidating Plan, including (a) completing the steps necessary to dissolve the Liquidating Debtors and transfer their assets to the Distribution Trust as of the Effective Date, consistent with Sections IV.A and IV.B.1 of the Liquidating Plan and Section III.B.2 of the Confirmation Order; (b) preparing plan implementation documents, including notices of the confirmation of the Liquidating Plan and the occurrence of the Effective Date; (c) maintaining a detailed timeline for the implementation of the Liquidating Plan and advising the Liquidating Debtors regarding the steps necessary to implement the timeline; and (d) preparing necessary court filings.

35. Finally, in connection with the Liquidating Plan, Jones Day expended substantial effort in negotiating, preparing and addressing issues relating to the Distribution Trust Agreement and the schedules thereto, which was integral to the implementation of the Liquidating Plan. Among other things, Jones Day assisted the Debtors in (a) finalizing the terms of U.S. Bank, National Association's engagement as the trustee for the distribution trust established pursuant to the Liquidating Plan (the "Distribution Trustee"), (b) resolving concerns about the trust mechanisms with the Distribution Trustee, (c) assisting in the Distribution Trustee's due diligence efforts relating to the Distribution Trust Agreement, (d) analyzing the tax

impact of proposed modifications to the Distribution Trust Agreement, (e) evaluating the impact of proposed revisions to the Distribution Trust Agreement under trust and securities laws, (f) developing plan implementation mechanics to be used by the Distribution Trustee and (g) negotiating related issues with the Distribution Trustee and the Noteholders' Committee.

Claims Administration (266.90 hours; \$56,526.70)

36. During the Tenth Compensation Period, Jones Day assisted the Liquidating Debtors in addressing numerous matters relating to the administration of claims asserted against the Liquidating Debtors. Among other things, Jones Day participated in the following claims administration activities during the Tenth Compensation Period:

- Jones Day analyzed and responded to numerous inquiries by creditors regarding issues relating to the status and treatment of claims asserted in these cases.
- Jones Day prepared and filed (a) the third omnibus objection to certain administrative expense claims, (b) an omnibus objection to certain prepetition claims and (c) an omnibus objection to certain reclamation claims. Jones Day also completed legal analyses in connection with these objections and other claim matters to determine the appropriate amount and classification of asserted claims.
- Jones Day reviewed and analyzed responses of various claimants asserting tax claims, including those claims asserted by the Georgia Department of Revenue, the Michigan Unemployment Insurance Agency, the Missouri Department of Revenue, the State of Michigan Department of Treasury and the State of Wisconsin Department of Revenue.
- Jones Day assisted the Liquidating Debtors in the negotiation and documentation of numerous claims settlements and prepared and filed a motion to approve certain reclamation settlement agreements.
- Jones Day successfully prosecuted various objections to prepetition claims, including certain tax claims, and obtained orders of the Court reducing the liabilities of the Liquidating Debtors' estates.

Court Hearings (11.00 hours; \$1,908.40)

37. Jones Day's activities during the Tenth Compensation Period included preparation for and participation in hearings before this Court on a variety of matters described elsewhere in this Application. Finally, Jones Day devoted time to the preparation of agenda letters for the benefit of the parties and the Court and other required documents for each hearing conducted during this period.

Litigation/Adversary Proceedings (6.40 hours; \$900.00)

38. During the Tenth Compensation Period, Jones Day lawyers advised and assisted the Liquidating Debtors in connection with certain litigation or potential litigation matters relating to (a) the administrative claim of National Fire Insurance and (b) certain preference claims.

Fee Application Preparation (156.10 hours; \$20,922.90)

39. During the Tenth Compensation Period, Jones Day devoted time to (a) the preparation of the Ninth Interim Fee Application, as described in paragraph 12 above; and (b) the completion of certain advance activities in preparation of this Application, including the review and preparation of (i) Monthly Statements in accordance with the Interim Compensation Order, the Guidelines and Local Rule 93-1 and (ii) related fee application exhibits.

Nonworking Travel (.30 hours; \$45.75)

40. During the Tenth Compensation Period, Ryan T. Routh, a Jones Day lawyer, spent time traveling to a hearing before the Court in Cleveland. Consistent with Local Rule 93-1, all nonworking travel time has been charged at 50% of Jones Day's normal billing rates.

Description of Expenses Incurred

41. Section 330 of the Bankruptcy Code authorizes "reimbursement for actual, necessary expenses" incurred by professionals employed in a chapter 11 case. 11 U.S.C. § 330(a)(1)(B). Accordingly, Jones Day seeks reimbursement for actual and necessary expenses (the "Expenses") incurred in rendering services to the Liquidating Debtors during (a) the Tenth Compensation Period in the total amount of \$5,277.03 as detailed in the attached Exhibit E-1 and (b) the Combined Compensation Period in the amount of \$41,373.63 as detailed in the attached Exhibit E-2. Jones Day submits that the Expenses were reasonable and necessary in light of the services provided.

42. Jones Day maintains the following policies with respect to the Expenses:

- Photocopying by Jones Day was charged at \$0.20 per page, in accordance with Local Rule 93-1. To the extent practical, Jones Day utilized less expensive, outside copying services.
- Prior to March 1, 2004, facsimile transmissions by Jones Day typically were charged at \$0.50 per page for outgoing local transmissions, \$1.00 per page for outgoing long distance transmissions and \$3.00 per page for outgoing international transmissions. These charges included any long distance telephone tariff. In accordance with an agreement reached with the U.S. Trustee, however, Jones Day has agreed to charge the Debtors \$0.25 per page for all outgoing facsimile transmissions in these cases. Incoming facsimiles were charged at \$0.20 per page for documents over ten pages. Jones Day does not charge for incoming facsimiles of documents under ten pages.
- Mileage was charged at the prevailing rate allowed by the Internal Revenue Service for tax deductions for mileage.
- All airfare Expenses are for coach class travel. Jones Day professionals are to incur only reasonable meal, lodging and car rental costs when traveling on client matters. Charges for airline travel include the cost of each airline ticket used in connection with the provision of services to the Liquidating Debtors' estates plus, for each airline ticket issued by the travel service regularly used by Jones Day, a transaction fee to cover travel service expenses, which was \$30.00 through March 1, 2004.

- Except as otherwise described herein, no amortization of the cost of any investment, equipment or capital outlay is included in the Expenses. In addition, except as otherwise described herein, for those items or services that Jones Day justifiably purchased or contracted from a third party (such as outside lien search fees), Jones Day seeks reimbursement only for the exact amount billed to Jones Day by the third party vendor and paid by Jones Day to the third party vendor.
- Computer-assisted legal research was used when the use of such computer services was determined to be more cost-efficient. Computer-assisted research is billed at actual cost on a per-search and/or per-minute basis, depending upon the provider. Among other things, Jones Day used computer research in connection with the preparation of certain internal legal memoranda, the development of responses to inquiries of the Liquidating Debtors and other parties, the analysis of issues arising in these cases, the completion of certain corporate activities and transactions and the preparation of pleadings filed with the Court in these cases and in other courts.
- With computer assistance, the total research and shepardization time was greatly reduced. To complete these activities manually would have taken significantly more lawyer or paraprofessional time, resulting in a greater cost to the Liquidating Debtors' estates, and would have been less reliable .
- Jones Day does not charge for postage less than \$1.00. Postage is billed at actual cost for postage over \$1.00, including postage for large group mailings where the postage for each individual item is less than \$1.00. Overnight delivery services and messenger services were used when time pressures rendered it impracticable to use regular mail services. Messenger services are billed at the actual rates charged by comparable, outside delivery services or the actual cost of such services.
- Jones Day does not charge for telephone calls between its offices or for local or long distance calls less than \$1.00. Long distance telephone charges over \$1.00 and operator assisted conference calls are billed at actual cost.
- Jones Day bills for the actual cost of staff overtime only when staff overtime services are used for the needs of its clients and not for Jones Day's own convenience. In this regard, Jones Day has not sought any reimbursement for staff overtime charges of \$493.68 incurred during the Tenth Compensation Period.

Adjustment to Fees and Expenses

43. Consistent with its own internal policies and to comply with the "reasonableness" requirements of section 330 of the Bankruptcy Code, Jones Day reviewed its

monthly service descriptions and expense detail to determine whether certain fees should not be charged to the Liquidating Debtors. Jones Day determined that there were no adjustments needed to be made in this Application for the Tenth Compensation Period.¹²

44. In total, for the Combined Compensation Period, Jones Day has written off \$95,151.65 in fees, expenses and nonworking travel related to services provided to the Debtors generally (the "Writeoff Total").¹³ The Writeoff Total is comprised of (a) \$44,188.75 in non-working travel writeoffs; (b) voluntary reductions of \$21,669.95 in the Prior Compensation Periods; and (c) voluntary reductions of \$29,292.95 in billed expenses related to the Prior Application Periods. This Writeoff Total amount evidences Jones Day's commitment to provide cost-effective services to the Liquidating Debtors (as well as the other Debtors) by, among other things, voluntarily monitoring the fees and expenses charged to the Liquidating Debtors' estates.

LEGAL ARGUMENT

Applicable Legal Standards

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

¹² Adjustments to the fees and expenses relating to services specifically performed for the Liquidating Debtors were not segregated from adjustments made to the fees and expenses relating to services performed for the LTV Debtors during the Prior Compensation Periods and performed for the Debtors generally during the Initial Compensation Periods. Accordingly, any adjustments made by Jones Day relating to fees and expenses relating to services performed for the Liquidating Debtors during these periods were included in the LTV First Final Fee Application.

¹³ The Writeoff Total applies to the Debtors collectively and does not reflect a writeoff for services performed exclusively for the Liquidating Debtors.

- (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). To grant a request for compensation pursuant to section 330 of the Bankruptcy Code, a court must find that such request is reasonable.

46. In the Sixth Circuit, the standard typically used to determine the reasonableness of a compensation request is the "lodestar" method:

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) (citing In re Mansfield Tire and Rubber Co., 65 B.R. 446, 455 (Bankr. N.D. Ohio 1986)) ("The Sixth Circuit has approved the lodestar method as the standard to be applied for allowance of professional fees."); In re Unicast, Inc., 214 B.R. 979, 990 (Bankr. N.D. Ohio 1997) ("[T]he lodestar method . . . should be employed in determining professional fees provided for under federal statutes, including the Bankruptcy Code."). The lodestar amount is calculated by "multiplying the number of hours reasonably expended multiplied by a reasonable hourly rate." EWI, 208 B.R. at 891.

47. In accordance with its practice in nonbankruptcy matters, Jones Day has utilized the lodestar method for calculating its compensation requested in this Application. Accordingly, Jones Day's lodestar calculation is reasonable under section 330 of the Bankruptcy Code.

Jones Day's Fees Are Reasonable

48. Jones Day's fees incurred on behalf of the Liquidating Debtors during the Tenth Compensation Period and the Combined Compensation 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 is not unusual given the complexity and size of the Liquidating Debtors' chapter 11 cases, and these fees are commensurate with fees that Jones Day has been awarded in other chapter 11 cases and that other attorneys of comparable experience and expertise have charged and been awarded in similar chapter 11 cases.

49. Additionally, as described herein, Jones Day has encountered difficult and unique legal problems during the course of the Liquidating Debtors' chapter 11 cases involving many areas of legal expertise, including bankruptcy, corporate transactions, securities and finance, tax and litigation. The professional services rendered in the Liquidating Debtors' chapter 11 cases have been performed by attorneys with broad expertise and high levels of skill in the areas in which they have provided services. This highly professional and expert group of attorneys ensured that the Liquidating Debtors' cases progressed in an efficient and expeditious manner.

50. Moreover, for all of the reasons described herein, Jones Day's services significantly benefited the Liquidating Debtors, their estates and creditors and assisted in achieving the Liquidating Debtors' goal of maximizing the value of their estates for the benefit of all creditors by completing the sale or other disposition of substantially all of their assets and developing, confirming and implementing the Liquidating Plan.

Jones Day's Expenses Were Actual and Necessary

51. Section 330(a)(1)(B) of the Bankruptcy Code permits reimbursement for actual, necessary expenses. As noted above, Jones Day already has (a) conducted a review to ensure that the Expenses 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 in the LTV First Final Fee Application. Accordingly, Jones Day has properly requested reimbursement only of actual, necessary and appropriate Expenses.

Review by the Distribution Trustee

52. A copy of this Application has been sent to the Distribution Trustee for its review. To date the Distribution Trustee has not indicated whether it has reviewed or approved the Application.

No Sharing of Compensation

53. No agreement or understanding exists between Jones Day 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 Jones Day. All the services for which compensation is requested in this Application were rendered at the request of and solely on behalf of the Liquidating Debtors.

Certification

54. In accordance with the Local Rule 93-1 and the Guidelines, the Certification of Jeffrey B. Ellman is attached hereto as Exhibit G and incorporated herein by reference.

NOTICE

55. No trustee or examiner has been appointed in these chapter 11 cases, other than the Distribution Trustee appointed pursuant to the Liquidating Plan and the Distribution Trust Agreement. In accordance with the Interim Compensation Order, Section XIII.G of the Liquidating Plan and the Court's Order Establishing Case Management Procedures Regarding Filing, Service, Notice, Copies and Hearing Dates, entered on April 10, 2001 (D.I. 885) (the "Case Management Order"), as amended, notice of this Motion has been given to the parties identified on the General Service List established by the Case Management Order. In light of the nature of the relief requested herein, Jones Day submits that no other or further notice is required.

WHEREFORE, Jones Day respectfully requests that the Court enter an order, substantially in the form attached hereto as Exhibit H: (i) allowing on an interim and final basis compensation of \$123,392.45 for services rendered by Jones Day to the Liquidating Debtors in connection with these chapter 11 cases during the Tenth Compensation Period; (ii) allowing on an interim and final basis reimbursement of Expenses of \$5,277.03 incurred by Jones Day in connection with the services provided to the Liquidating Debtors during the Tenth Compensation Period; (iii) allowing on a final basis compensation of \$1,061,239.90 for services rendered by Jones Day to the Liquidating Debtors during the Combined Compensation Period; (iv) allowing on a final basis Expenses of \$41,373.63 incurred by Jones Day in connection with services

provided to the Liquidating Debtors during the Combined Compensation Period; (v) authorizing and directing the Distribution Trustee to pay Jones Day from the assets in the Distribution Trust Expense Account the fees and expenses for the Combined Compensation Period that have not already been paid pursuant to Jones Day's Monthly Statements and prior orders of this Court; (vi) granting such other and further relief as the Court may deem proper.

Dated: May 7, 2004

Respectfully submitted,

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