



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

In re:

**LTV STEEL COMPANY, INC.,  
A New Jersey Corporation, et al.,**

**Debtors.**

Chapter 11  
Jointly Administered  
  
Judge Randolph Baxter

**Case No. 00-43866**

**APPLICATION OF MANION McDONOUGH & LUCAS, P.C., CO-COUNSEL FOR  
THE OFFICIAL COMMITTEE OF NOTEHOLDERS, FOR FINAL ALLOWANCE AND  
AWARD OF COMPENSATION AND FOR THE REIMBURSEMENT OF  
EXPENSES FOR SERVICES RENDERED DURING THE PERIOD  
FEBRUARY 28, 2001 THROUGH APRIL 30, 2003**

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

Manion McDonough & Lucas, P.C., (“MML” or “Applicant”), co-counsel to the Official Committee of Noteholders (the “Committee”) of LTV Steel Company, Inc. (“LTV Steel”) and its affiliated Debtors (collectively, the “LTV Steel Debtors”<sup>1</sup>), for this final fee application relating only to services rendered in the LTV Steel Debtors’ Chapter 11 cases (the “Application”) seeking (i) final allowance and award of compensation for services rendered and reimbursement of expenses in connection with the LTV Steel Debtors’ Chapter 11 cases during the period February 28, 2001 through April 30, 2003, pursuant to 11 U.S.C. § 330(a). In support of the Application, MML respectfully represents:

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<sup>1</sup> The LTV Steel Debtors include, LTV Steel Company, Inc., The LTV Corporation (a Delaware corporation), Crystalane, Inc., Dearborn Leasing Company, ErieB Corporation, Erie I Corporation, Fox Trail, Inc., Georgia Tubing Corporation, Investment Bankers, Inc., J&L Empire, Inc., Jalcite I, Inc., Jalcite II, Inc., Jones & Laughlin Steel Incorporated, LTV-Columbus Processing, Inc., The LTV Corporation (a Wyoming corporation), LTV-EGL Holdings Company, LTV Electro-Galvanizing, Inc., LTV Escrow, Inc., LTV International, Inc., LTV Pickle, Inc., LTV Properties, Inc., LTV Steel Mining Company, LTV-Trico Holdings, Inc., LTV-Trico, Inc., LTVGT, Inc., Nemacolin Mines Corporation, Reomar, Inc., Republic Technology Corporation, Southern Cross Investment Company, TAC Acquisition Corporation, Trico Steel Company, Inc., Youngstown Erie Corporation and YST Erie Corporation.

## I. INTRODUCTION

1. MML was retained as co-counsel to the Committee nunc pro tunc to February 28, 2001 pursuant to an order of this Court dated March 21, 2001. In April 2003, LTV Steel requested that MML, and the other professionals, retained in this proceeding, beginning as of January 1, 2003 allocate its services between the LTV Steel Debtors and the Copperweld Debtors.<sup>2</sup> In addition, pursuant to the Intercompany Claims Settlement, as described in paragraph 45, the fees and expenses incurred by MML for the period (i) February 28, 2001 through December 31, 2002 were to be paid by LTV Steel Company, Inc., (ii) January 1, 2003 through April 30, 2003 (excluding services provided in the Copperweld Debtors' Chapter 11 cases) were to be paid for by The LTV Corporation; and (iii) May 1, 2003 through March 8, 2004 (excluding services provided to the Copperweld Debtors' Chapter 11 cases) are to be paid by the VP Buildings, Inc. Debtors (the "VP Debtors").<sup>3</sup> By this Application, MML is seeking final allowance and award of fees and expenses for services rendered with respect to the LTV Steel Debtors for the period February 28, 2001 through April 30, 2003.

2. By this application, MML seeks final allowance of fees in the amount of \$204,967.50 and expenses in the amount of \$13,480.00 (in aggregate, totaling \$218,447.50) for the period of February 28, 2001 through April 30, 2003, which compensation was previously awarded to MML on an interim basis pursuant to prior orders of this Court. MML has submitted a final fee application in the Copperweld Debtors Chapter 11 case and will also be submitting a separate final fee application in the VP Debtors' Chapter 11 cases.

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<sup>2</sup> The Copperweld Debtors include the Copperweld Corporation, Copperweld Bimetallic Products Company, Copperweld Equipment Company, Copperweld Marketing & Sales Company, Metallon Materials Acquisition Corporation, Miami Acquisition Corporation, Southern Cross Investment Company, Tac Acquisition Corporation, Welded Tube Co of America, and Welded Tube Holdings, Inc

<sup>3</sup> The VP Debtors include VP Buildings, Inc , United Panel, Inc , Varco Pruden International, Inc , VP-Graham, Inc , LTV Blanking Corporation, LTV Steel De Mexico, Ltd and LTV-Walbridge, Inc

3. Venue of this proceeding and this application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are 11 U.S.C. § 330 and Federal Rules of Bankruptcy Procedure 2002(a) and 2016.

## II. BACKGROUND

4. On December 29, 2000 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Pursuant to order of this Court dated December 29, 2000, the Debtors’ chapter 11 cases have been consolidated for procedural purposes only and were jointly administered.

5. On December 7, 2001, this Court approved an Asset Protection Plan (“APP”) for LTV Steel Company, Inc. (“LTV Steel”), which APP provided for wind-down of LTV Steel. Pursuant to the APP, the sale or shutdown of substantially all of the LTV Steel’s facilities has occurred.

6. On February 28, 2002, the Bankruptcy Court entered the Order Pursuant to Sections 105, 363, and 365 of the Bankruptcy Code (A) Approving Asset Purchase Agreement; (B) Authorizing the Sale of Certain Integrated Steel Assets Free and Clear of Liens, Claims and Encumbrances and Approving Related Lien Treatment Procedures; and (C) Approving Procedures for the Assumption and Assignment of Related Executory Contracts and Unexpired Leases.

7. On February 11, 2003, the Bankruptcy Court entered an order authorizing a process to wind down the Debtor’s estate (the “Wind Down Order”). The Wind Down Order authorized, inter alia, a bifurcation of the administrative claims according to those which arose pre-APP and those which were incurred post-APP; liquidation of the LTV Steel Debtor’s remaining assets; the finalization of settlements and resolution of ongoing litigation and appeals; collection of amounts due including prosecuting preference avoidance actions; resolution of intercompany claims; and the final filing of a motion to dismiss the Chapter 11 cases.

8. MML respectively submits that the services rendered on behalf of the Committee were necessary, resulted in the effective administration of these cases, and directly benefited the LTV Steel Debtors' unsecured creditors.

9. On January 19, 2001 (the "Committee Formation Date"), pursuant to Bankruptcy Code Section 1102, the United States Trustee appointed the Committee consisting of seven members. At the time of dissolution, the Committee consisted of the indenture trustees to (a) the 8.2% senior notes due 2007, in the face amount of \$300 million; and (b) the 11 3/4 % senior notes due 2009, in the face amount of \$275 million. Both tranches of senior notes were issued by The LTV Corporation ("LTV Corp.") and were guaranteed by certain other Debtors, included the Copperweld Debtors. On March 6, 2001, the Committee selected MML to serve as co-counsel to the Committee pursuant to Bankruptcy Code Section 1103(a). On March 8, 2004, the Committee dissolved, except for purposes of reviewing and objecting to final fee applications.

10. As stated in the Affidavit of James G. McLean, Esq., annexed hereto as Exhibit "A," all of the services for which interim compensation is sought herein were rendered for or on behalf of the Committee solely in connection with these cases.

11. MML has filed seven prior Applications for Interim Allowance of Compensation and for Reimbursement of Expenses for services rendered during the Period of February 28, 2001 through April 30, 2003. These interim fee applications are incorporated by reference herein. A schedule of the fees and expenses request and payments made with respect to the prior interim fee applications is attached hereto as Exhibit "B".

12. Included in this Application is a request for the allowance and award of compensation for services rendered on behalf of the LTV Steel Debtors during the period May 1, 2001 through December 31, 2001. These fees were requested in MML's Second Interim Fee Application and Third Interim Fee Application. On September 26, 2002, this Court entered an order approving MML's Second Interim Fee Application and on November 4, 2002, this Court entered an order approving MML's

Third Interim Fee Application. The fees were allowed on an interim basis but certain fees remain unpaid because total professional fees for all retained professionals exceeded the carve-out provision for payment of legal fees in the Debtors' debtor in possession financing agreement. The payment of these fees was deferred until the conclusion of these Chapter 11 cases. MML requests payment of fees in the amount of \$6,990.06 for services rendered with respect to the LTV Steel Debtors' Chapter 11 cases.

### **III. SUMMARY OF SERVICES RENDERED**

13. Since February 28, 2001, MML has rendered professional services to the Committee as requested and as necessary and appropriate in furtherance of the interests of the Debtors' Noteholders. The variety and complexity of these cases and the need to act or respond on an expedited basis in furtherance of the Committee's needs have required the expenditure of substantial time by personnel from several legal disciplines, on an as-needed basis.

14. MML maintains written records of the time expended by attorneys and paraprofessionals in the rendition of their professional services to the Committee. Such time records were made contemporaneously with the rendition of services by the person rendering such services and in the ordinary course of MML's practice, and are presented in a form, which is in compliance with General Order No. 93-1 of the United States Bankruptcy Court for the Northern District of Ohio, dated July 28, 1993 and the Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330 issued by U. S. Department of Justice, Executive Office of the United States Trustee, dated March 22, 1995 (the "Fee and Expense Order and Guidelines"). A compilation showing the name of the attorney or paraprofessional, the date on which the services were performed, a description of the services rendered, and the amount of time spent in performing the services during the periods February 28, 2001 through April 30, 2003.

15. MML also maintains records of all actual and necessary out-of-pocket expenses incurred in connection with the rendition of its professional services, all of which are also available for

inspection. A schedule of the categories of expenses and amounts for which reimbursement is requested is annexed hereto as Exhibit “D”.

16. MML respectfully submits that the professional services that it rendered on behalf of the Committee were necessary and have directly contributed to the effective administration of these cases.

17. The following summary of services rendered during the Compensation Period is not intended to be a detailed description of the work performed, as those day-to-day services and the time expended in performing such services are fully set forth in Exhibit “C”. Rather, it is merely an attempt to highlight certain of those areas in which services were rendered to the Committee, as well as to identify some of the problems and issues that MML was required to address.

(i) Case Administration

18. MML’s attention to the Committee’s organizational needs during the Compensation Period enabled the Committee to function as a coordinated group and to acquit its fiduciary duties.

19. MML reviewed and analyzed all motions filed by the Debtors and other parties in interest in this Court, including, but not limited to, motion to retain professionals, motion to obtain debtor in possession financing; motions to extend exclusivity; motion to assume or reject executory contracts, real property leases and license agreements; motion to establish procedures for set-off of mutual pre-petition obligations; motions to lift the automatic stay; motions for adequate protection; motion to clarify and supplement the cash management order; motion to reject collective bargaining agreement; motions to sell certain assets; motions for payment of administration claims; motions authorizing settlement agreements; and motions to approve intercompany allocation settlement. MML kept the Committee members advised of all material developments during the Compensation Period. MML also consulted with KPMG LLP (“KPMG”), the Committee’s financial advisor, and CIBC World

Markets, Inc. ("CIBC"), the Committee's former financial advisor, regarding documents and other information received or required from the Debtors.

20. Due to MML's experience in counseling creditors' committees, MML believes it was able to efficiently address all issues relating to case administration that have arisen during the tendency of this case. At the request of the Committee, MML assisted in or took the lead in analyzing all motions presented by the Debtors, advising the Committee on its own initiatives and directions for the case, and analyzing inter-creditor issues. MML coordinated all Committee activities, coordinated the activities of the Committee's advisors, and interacted with the Committee's chair in setting agendas for the Committee.

(ii) Post-Petition Financing

21. On the Petition Date, the Debtors filed an emergency motion (the "Emergency Motion") requesting an Order granting their immediate, interim use of cash collateral, as well as the entrance of a subsequent final Order approving same. The Debtors sought this relief even though the accounts receivables and inventory of the Debtors' Integrated Steel business segment and certain other accounts receivable were purportedly "sold" pre-petition to LTV Sales Finance and/or LTV Steel Products -- non-Debtor entities. In the Emergency Motion, the Debtors asserted that the pre-petition transfers to LTV Sales Finance and LTV Steel Products were not, in fact and law, "true sales" but, rather, secured financing arrangements disguised as true sales and, consequently, the cash remained property of the Debtors' Chapter 11 estates. After a hearing, the Court entered an interim Order authorizing the Debtors' emergency use of cash collateral (the "Interim Order").

22. Not surprisingly, the lenders under the accounts receivables and inventory facilities vigorously opposed the relief requested in the Emergency Motion. Soon after the Court entered the Interim Order, one of the lenders under the receivables facility, Abbey National Treasury Services PLC ("Abbey"), filed a motion for reconsideration of the Interim Order. The Court denied Abbey's motion for reconsideration and Abbey filed a notice of appeal. Intense discovery bearing on the "true



sale” issue was taken by the Debtors and certain lenders under the receivables and inventory facilities. MML attorneys participated in all phases of the discovery process, including attending many of the depositions. MML also prepared numerous memoranda for the Committee explaining the structure of the securitizations, the relevant legal standards applicable to a “true sale” analysis, the relevant facts deducted from discovery, and possible outcomes of the litigation.

23. A hearing on the Debtors’ request for a final Order approving use of cash collateral, initially scheduled for March 7, 2001, was adjourned based on the Debtors’ representation that it had settled the matter with the lenders under the receivables and inventory facilities. The DIP Facilities (as defined below) constituted this settlement.

24. On March 3, 2001, the Debtors filed its Motion for an Order, Pursuant to 11 U.S.C. §§105, 361, 362, 363, 364(c)(1), 364(c)(2) and 364(c)(3) and Fed. R. Bankruptcy Proc. 4001(c) and 9019, Approving (I) Proposed Debtor in Financing Facilities; and (II) the Repurchase of Inventory, Accounts Receivable, and Adequate Protection Claims (the “DIP Motion”). The DIP Motion sought authorization to enter into two debtor-in-possession financing facilities (each a “DIP Facility”) – one DIP Facility with The Chase Manhattan Bank, N.A., and the other with Ableco Finance.

25. MML assisted in the review, analysis and, at the Committee’s request, aided with the filing of an objection to the DIP Facilities. MML assisted in negotiating substantial changes to the proposed final DIP orders which resulted in the Committee withdrawing its objection to the DIP Facilities.

(iii) DIP Modification Motion

26. On November 27, 2001, the Debtors also filed a motion (the “DIP Modification Motion”) requesting an order approving modifications to the terms and conditions of the Debtors’ debtor-in-possession financing facility (the “DIP Facility” or “DIP Loans”) provided by certain lenders (the “DIP Lenders”) and modifications to the Bankruptcy Court’s March 20, 2001 final order approving same (the “Final DIP Order”). MML reviewed and commented on the DIP Modification Motion, which sought

technical modifications to the terms and conditions of the DIP Facility to effectuate the substantive provisions of the APP.

(iv) Retention of Committee's Professionals

27. During the Compensation Period, MML prepared the application to retain (i) MML, as co-counsel to the Committee; and/or assisted in the preparation and filing of Fee Applications for (ii) CIBC World Markets, Inc., as financial advisors to the Committee; and (iii) KPMG LP, as successor financial advisor to the Committee. In addition, MML reviewed the retention applications of the professionals sought to be retained by the Debtors, the Official Committee of Unsecured Creditors (the "Creditors' Committee") and the Official Committee of Administrative Expenses Creditors (the "ACC").

(v) KERP

28. MML, in conjunction with Akin Gump Strauss Hauer & Feld, LLP ("Akin Gump"), CIBC, reviewed the Debtors' proposed key employee retention plan ("KERP") and assisted in the preparation of a counterproposal. MML, presented the counterproposal to the Debtors' management and professionals. MML, Akin Gump, and CIBC engaged in extensive negotiations with the Debtors' management and professionals and the Creditors' Committee and its professionals with respect to the KERP proposal. As a result of such negotiations, the Debtors sought approval of a KERP, which was largely acceptable to the Committee, except for its treatment of employees of LTV Steel Mining.

(vi) Creditors' Committee Meetings

29. MML participated in numerous in-person meetings and conference calls with the full Committee during the Compensation Period. Prior to the meeting and conference calls with the Committee, MML assisted with the review of pending matters requiring the Committee's attention and all underlying documentation in connection therewith. Thereafter, MML participated in discussions relating to these matters with the full Committee, as well as individual Committee members, and assisted the Committee in formulating a position thereon. In addition, MML prepared detailed memoranda to the

Committee during the Compensation Period discussing the status of important matters in these proceedings.

30. Through these telephone conferences and correspondence, MML has assisted the Committee in fulfilling its statutory duties to make informed decisions regarding the various issues which have arisen in these cases, to monitor closely the Debtors' management of these proceedings, and to reach independent conclusions on the merits of specific matters, as well as regarding the prospects of reorganization.

(vii) Court Hearings

31. MML attorneys appeared at a number of the major hearings held by this Court and actively asserted the Committee's position at such hearings.

(viii) Preparation of Monthly Billing Statements/  
Other Professionals Monthly Billing Statements

32. MML prepared its monthly billing statements and seven applications for interim allowance of compensation and reimbursement of expenses. MML summarized the monthly billing reports and interim fee applications of the Debtors' professionals and the other professionals retained in these proceedings for review by the Committee to identify any issues regarding such billing reports and discussed such billing reports with the Committee.

(ix) Asset Sales

33. During the Compensation Period, MML assisted in the review and summary of the Committee motions by the Debtors to sell their tin business and the stock of Mahoning Valley Railway Company. MML also reviewed and commented on, in conjunction with CIBC, a proposed letter of intent between the Debtors and Wellspring relating to the sale of the assets of the Debtors' V.P. Buildings business. MML participated in the auction and hearing regarding the sale of the Debtors' VP Buildings business.

34. During the Compensation Period, MML reviewed, analyzed and commented on the proposed sale of LTV Steel Mining Company's mine and power generation facilities (the "LTVSMC

Assets”) to Cliffs Erig LLC and Rainy River Corporation (the “Cliffs/Rainy Bid”). Prior to the Compensation Period, the Debtors received a number of indications of interest to purchase the LTVSMC Assets. In conjunction with the Debtors and Akin Gump, MML reviewed the indications of interest with respect to these assets and concluded that the Cliffs/Rainy Bid was the best bid.

35. MML reviewed and commented on a draft asset purchase agreement with respect to the LTVSMC Asset Sale. On October 23, 2001, this Court entered an order authorizing the sale of the LTVSMC Assets to Cliffs Eric LLC and Rainy River Company.

36. During the Compensation Period, MML reviewed and commented on the Debtors’ proposed sale of certain integrated steel assets before such assets were cold-idled as part of the APP.

37. On February 8, 2002, the LTV Steel Debtors filed a motion to approve the sale of certain integrated steel assets (the majority of which are referred to herein as the “Acquired Assets”) to WLR Acquisition Corp. (n/k/a International Steel Group, Inc.) (“WRL”), free and clear of all liens, claims and encumbrances pursuant to Section 363 of the Bankruptcy Code (the “Motion”). Pursuant to an order dated February 28, 2002 (the “Order”) approving the Motion, the Court approved procedures for allocating the net proceeds (the “Net Proceeds”) of the sale of the Acquired Assets among each of the Acquired Assets and the respective claims hereon. The Acquired Assets include the following: Cleveland Works; Indiana Harbor Works; Hennepin Works, Lorain Pellet Terminal; Grand River Lime Plant; Short-Line Railroad Equipment (pursuant to a separate agreement); Warren Coke Facility; and certain Prepaid Expenses. The Closing of the sale of the integrated steel assets to WLR occurred on April 12, 2002. On April 26, 2002, The LTV Steel Debtors’ filed a Notice of Allocation of Net Proceeds of the Integrated Steel Assets, relating to the sale of certain integrated steel assets to WRL.

38. On May 21, 2002, the Debtors filed a motion (the “Bid Procedures Motion”) for authority to establish certain bidding procedures for the sale of certain of the Copperweld Debtors’

businesses (the “Assets”) and granting other relief. On June 2, 2002, this Court entered an order with respect to the Bid Procedures Motion.

39. MML reviewed and commented on the forms of the proposed asset purchase agreement to be sent to potential purchasers of the Assets. MML reviewed all of the bids received for the Assets and prepared memoranda for the Committee regarding the bids received for such assets.

40. On behalf of the Committee, MML also reviewed and commented on asset purchase agreement for real property located in Allegheny County, Pennsylvania and the Debtors’ motion for authorization to sell all of its 11.11% limited liability membership in TWB Company, LLC.

41. During the Compensation Period, MML reviewed and commented on the sale of the LTV Tubular business and the asset purchase agreements for real property located in Allegheny County, Pennsylvania, the Kirby Tubular property, the Chicago Buffer property and the Debtors’ motion for authorizations to sell all of its 11.11% limited liability membership in TWB Company, LLC.

42. During the Compensation Period, MML reviewed and commented on the asset purchase agreements for Lorain, Ohio property, the Black River property located in Ohio and the Debtors’ motion for authorization to sell all of its Northern Land Stock.

43. On October 24, 2002, this Court issued a Memorandum Opinion and Order Regarding Notice of Allocation and Amended Notice of Allocation of Net Proceeds of the Integrated Steel Sale. There were several motions by parties appealing the allocation seeking to preclude distribution of the monies to secured creditors. MML participated in the hearing held on these motions.

(x) Lien Perfection Review

44. MML assisted in obtaining and reviewing numerous UCC filings, mortgages and real property searches relating to the perfection of the pre-petition liens of Credit Suisse First Boston (“CSFB”), the agent for a syndicate of term loan lenders. MML had several discussions with counsel for CSFB and the Creditors’ Committee regarding the results of the lien searches.

(xi) Intercompany Claims Analysis

45. MML, in conjunction with Akin Gump and KPMG, participated with the LTV Steel Debtors' professionals, the Copperweld Debtors' professionals, the Creditors' Committee's professionals, the Copperweld Lenders' professionals, the Administrative Creditors' Committee's professionals and the LTV Steel Debtors' management in settlement discussions. There were extensive negotiations concerning the post-petition intercompany claims which resulted in a settlement agreement among all of the major constituencies which was approved by this Court in November 2003.

(xii) CBA Motion

46. On July 30, 2001, the Bankruptcy Court approved the Modified Labor Agreement (the "MLA") between the Debtors and the USWA, which temporarily replaced the CBAs as the governing labor agreement. The parties agreed to extend the MLA until the earlier of (a) the date that it became clear that the Debtors would not obtain certain additional financing; (b) the date that other conditions precedent to the implementation of long-term revisions to the CBAs were not satisfied; or (c) December 15, 2001. Subsequently, the parties could not agree on significant additional labor-related cost reductions necessary for the Debtors to obtain additional post-petition financing in connection with the emergency steel guaranty loan. On November 20, 2001, as part of implementing its Asset Protection Plan (the "APP"), the Debtors filed a motion for an order authorizing the rejection of certain collective bargaining agreements (the "CBAs") covering 7600 employees, pursuant to Section 1113 of the Bankruptcy Code. Upon the failure of such negotiations, the MLA terminated and the prior CBAs became operative again. The Debtors sought to reject the CBAs unless they could reach a negotiated settlement with the USWA to preserve certain benefits (as described below) during the APP liquidation process.

47. Throughout the Compensation Period, MML, together with Akin Gump and CIBC, had numerous meetings and discussions with the Debtors, and their professionals, and

representatives of the Creditors Committee to discuss labor negotiations. In addition, MML reviewed and prepared memoranda for the Committee regarding the labor negotiations.

(xiii) Asset Protection Plan Motion

48. On November 20, 2001, the Debtors filed a motion (the “APP Motion”) requesting an order providing them with the following relief: (1) approval of their asset protection plan (the “Asset Protection Plan” or “APP”) for their integrated steel business; (2) authorization to take actions necessary or appropriate to implement the Asset Protection Plan; (3) relief from certain notice periods; (4) certain employee protections for actions taken in connection with the approval and implementation of the Asset Protection Plan; (5) approval of an employee retention plan; (6) authorization of the rejection of certain executory contracts and unexpired leases; and (7) approval of procedures for the expedited rejection of executory contracts and unexpired leases.

49. During the Compensation Period, MML, together with Akin Gump and CIBC, had numerous meetings and discussions with the Debtors, their professionals, and representatives of the Creditors’ Committee to discuss the APP Motion. MML assisted in the review and analysis of the APP Motion and prepared extensive memoranda to the Committee detailing the terms of the APP Motion and the ramifications thereof.

50. In addition, at the Committee’s request, MML assisted in the preparation and filing of an objection to the APP Motion. MML attorneys attended the Court hearings with respect to the APP Motion to press the Committee’s objection. After several days of hearings and settlement negotiations among various parties, including the Committee, a revised APP budget was agreed to along with certain other changes to the APP. On December 7, 2001, this Court entered a Memorandum Opinion and an Order approving the APP as modified.

(xiv) Wind Down Process

51. On January 15, 2003, LTV Steel filed a motion for an order authorizing a process to wind down its estate (the “Wind Down Motion”). MML reviewed and analyzed the Wind

Down Motion and at the direction of the Committee filed a detailed response in support of the Wind Down Motion. In addition, MML assisted in the review and analysis of the numerous objections filed with respect to the Wind Down Motion. On February 11, 2003, this Court entered an order approving the Wind Down Motion (the “Wind Down Order”). MML also reviewed and analyzed the documents filed with this Court and the District Court in connection with the appeal of the Wind Down Order.

(xv) Motion to Disband the Equity Committee

52. On August 2, 2001, the Committee and the Creditors’ Committee prepared and filed a joint motion (a) for an Order, pursuant to Section 107(b) and Rule 9018 of the Federal Rules of Bankruptcy Procedure, for an Order authorizing an *in camera* hearing and directing all parties to file under seal all submissions containing confidential information, and (b) for an Order, pursuant to Bankruptcy Code Section 105(a) and Bankruptcy Rule 2020 and 9014, directing the United States Trustee to disband the Official Committee of Equity Holders (the “Equity Committee”), and (ii) this joint objection to the retention of co-counsel to the Equity Committee (the “Disband Motion”). The Committee took the laboring oar with respect to the preparation of the Disband Motion. The Court entered an order authorizing an order authorizing an *in camera* hearing and directing all parties to file under seal all submissions containing confidential information (the “August, 2001 Order”).

53. During the Compensation Period, MML began the process of formal discovery with counsel to the Equity Committee but not the U.S. Trustee, as the U.S. Trustee refused to enter into any confidentiality agreement with the Committee to protect the Debtors’ proprietary information. Nevertheless, the U.S. Trustee insisted on participating in the discovery process. Accordingly, the Committee, Creditors’ Committee and the Debtors had no choice but to file a joint motion for a protective order to safeguard the Debtors’ proprietary information, which the Court granted on September 27, 2001 (the “Protective Order”). While the Protective Order mooted the U.S. Trustee’s appeal from the August 8, 2001 Order, in toto, the U.S. Trustee refused to dismiss its appeal. Accordingly, the Committee filed a response to the U.S. Trustee’s appellate brief with the District Court



on November 1, 2001. MML also had numerous discussions with counsel for the Debtors, counsel for the Creditors' Committee, counsel for the Equity Committee and the United States Trustee about discovery issues. Ultimately, the United States Trustee disbanded the Equity Committee.

(xvi) Creditor Inquiries

54. MML fielded numerous telephone inquiries from unsecured creditors to discuss the status of various pending matters, and to respond to their many questions about the bankruptcy process, status of their claims against the Debtors, and potential for recovery in these Chapter 11 proceedings.

**IV. FACTORS TO BE CONSIDERED IN AWARDING ATTORNEYS' FEES**

55. To avoid unnecessary duplication of stated matters, MML adopts the section of Akin Gump's Application relating to "Factors to be Considered in Awarding Attorneys' Fees".

**V. ALLOWANCE OF COMPENSATION**

56. The professional services rendered by MML required a high degree of professional competence and expertise so that the numerous issues requiring evaluation and determination by the Committee could be addressed with skill and dispatch and have, therefore, required the expenditure of substantial time and effort. It is respectfully submitted that the services rendered to the Committee were performed efficiently, effectively and economically, and the results obtained to date have benefited not only the members of the Committee, but also the unsecured creditor body as a whole and the Debtors' estates.

57. With respect to the level of compensation, section 330(a)(1) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person:

*reasonable compensation for actual, necessary services rendered ...*

Section 330(a)(3)(A), in turn, provides that

*In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –*

- (A) the time spent on such services;*
- (B) the rates charged for such services;*
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;*
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and*
- (E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title*

11 U.S.C. §330(a)(3)(A). The clear Congressional intent and policy expressed in this statute is to provide for adequate compensation in order to continue to attract qualified and competent bankruptcy practitioners to bankruptcy cases.

58. The total time spent by MML attorneys and paraprofessionals during the Compensation Period was 873.40 hours. The work involved, and thus the time expended, was carefully assigned in light of the experience and expertise required for a particular task.

59. As shown by this application and supporting documents, Applicant spent its time economically and without unnecessary duplication of time. Attached hereto as Exhibit “E” is a schedule of the hours expended by the attorneys and paraprofessionals during the Compensation Period, their normal hourly rates, and the value of their services.

60. MML incurred actual out-of-pocket expenses in connection with the rendition of the professional services to the Committee in the sum of \$13,480.00 for which MML respectfully requests reimbursement in full. The disbursements and expenses have been incurred in accordance with MML’s normal practice of charging clients for expenses clearly related to and required by particular matters. MML has endeavored to minimize these expenses to the fullest extent possible.

61. MML’s billing rates do not include charges for photocopying, telephone and telecopier toll charges, computerized research, travel expenses, “working meals,” secretarial overtime,

postage and certain other office services, since the needs of each client for such services differ. MML believes that it is fairest to charge each client only for the services actually used in performing services for it. In these proceedings, MML charges \$ 20 per page for internal duplicating. The expenses incurred by MML are in compliance with the Fee and Expense Order and Guidelines.

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

63. No prior application has been made in this or in any other Court for the relief requested herein for the Compensation Period.

**WHEREFORE**, MML respectfully requests that this Court enter an order:

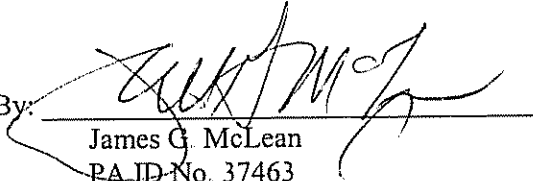
(a) granting final allowance and award of fees and expenses in the aggregate amount of \$218,447.50 for the period of February 28, 2001 through April 30, 2003, which compensation was previously awarded to MML on an interim basis pursuant to orders of this Court;

(b) authorizing and directing the LTV Steel Debtors to make all payments with respect to the fees and expenses requested in this Application; and

c.) granting such other and further relief as this Court may deem just and proper.

Dated: Pittsburgh, Pennsylvania  
March 22, 2004

**MANION McDONOUGH & LUCAS, P.C.**

By:   
James G. McLean  
PA ID No. 37463  
Partner  
600 Grant Street  
USX Tower, Suite 1414  
Pittsburgh, PA 15219  
(412) 232-0200

Co-Counsel to the Official Committee of Noteholders

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

-----x  
 IN RE: )  
           ) Chapter 11  
           ) )  
 LTV STEEL COMPANY, INC., )  
 a New Jersey corporation, *et al.*, )  
           ) Jointly Administered  
           ) Case No. 00-43866  
           ) )  
           ) Judge Randolph Baxter  
 Debtors. )  
 -----x

**ORDER APPROVING THE FINAL APPLICATION OF MANION MCDONOUGH & LUCAS, P.C.,  
AS CO-COUNSEL TO THE OFFICIAL NOTEHOLDERS COMMITTEE FOR LTV STEEL  
COMPANY, INC. ET AL FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED  
AND FOR REIMBURSEMENT OF EXPENSES INCURRED FROM  
FEBRUARY 28, 2001 THROUGH APRIL 30, 2003**

AND NOW THIS \_\_\_\_\_ day of \_\_\_\_\_, 2004, upon consideration of the Application of Manion McDonough & Lucas, P. C. (“Manion McDonough”) as Co-Counsel to the Official Noteholders Committee for LTV Steel Company, Inc. *et al.* (the “Noteholders Committee” and collectively, the “Committees”) for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred from February 28, 2001 through and including April 30, 2003 (the “Applicant”), pursuant to 11 U.S.C. § 331, and no objections to this Application having been raised with the Court,

THE COURT HEREBY FINDS THAT:

1. Capitalized terms not otherwise defined herein have the meanings given to them in the Application.
2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. Sections 157 and 1334.
3. This is a core proceeding pursuant to 28 U.S.C. Section 157(b)(2).
4. The Applicant’s compensation for services rendered in connection with the Debtors’ chapter 11 cases, for which the Applicant seeks interim allowance in the Application, is reasonable and appropriate under section 331 of the Bankruptcy Code.

5. The Applicant's expenses incurred in connection with the Debtors' chapter 11 cases, for which they seek reimbursement in their Application, are actual and necessary expenses under section 331 of the Bankruptcy Code.

ORDERED that the Application is hereby approved in the following amounts:

1. Approving the allowance for compensation of professional services rendered to the committees during the period from February 28, 2001 through and including April 30, 2003 in the amount of \$204,967.50;

2. Approving the reimbursement of Applicant's out-of-pocket expenses incurred in connection with the rendering of such professional services during the period February 28, 2001 through and including April 30, 2003 in the amount of \$13,480.00;

3. Authorizing and directing the Debtors to pay compensation to the Applicant in the following aggregate amounts: \$6,990.06, representing the balance not previously paid from total amounts for professional services rendered and disbursements incurred by the Applicant during the period February 28, 2001 through and including April 30, 2003 of \$204,967.50, *less* amounts that have been paid by the Debtors as of the date of the hearing on this Application in the amount of \$197,977.54;

4. Nothing contained in this Order shall preclude any party in interest from seeking to allocate the interim compensation sought by the Application or previously paid to the Applicant pursuant to prior Orders of the Court among the estates of Debtors.

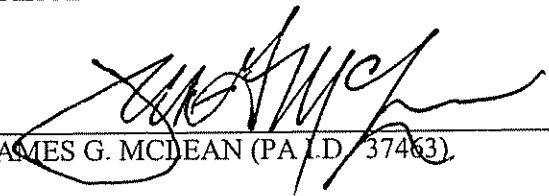
SO ORDERED:

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United States Bankruptcy Judge

This 22<sup>nd</sup> day of March, 2004

PREPARED BY:



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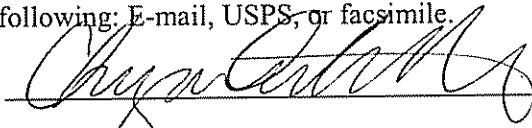
JAMES G. MCDEAN (PA I.D. 37463)

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Facsimile: (412) 232-0206

CO-COUNSEL TO THE OFFICIAL NOTEHOLDERS COMMITTEE FOR  
LTV STEEL COMPANY, INC., ET AL.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 27<sup>th</sup> day of March 2004, a true and correct copy of the foregoing was served upon the counsel of record by one or more of the following: E-mail, USPS, or facsimile.



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