

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

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In re:	:	Chapter 11
	:	
LTV STEEL COMPANY, INC.,	:	Jointly Administered
a New Jersey corporation, <i>et al.</i> ,	:	Case No. 00-43866
	:	
Debtors.	:	Successor to Judge William T. Bodoh

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**SUMMARY OF FINAL APPLICATION FOR ALLOWANCE OF COMPENSATION  
AND REIMBURSEMENT OF EXPENSES PURSUANT TO ORDER OF COURT  
DATED DECEMBER 23, 2003 FOR THE PERIOD APRIL 13, 2001 THROUGH AND  
INCLUDING MARCH 31, 2003 ON BEHALF OF MCDERMOTT, WILL & EMERY,  
AS SPECIAL LABOR COUNSEL TO THE FORMER OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS FOR LTV STEEL COMPANY, INC.**

Name of Applicant: McDermott, Will & Emery

Authorized to provide Professional Services to: Official Committee of Unsecured Creditors of  
LTV Steel Company, Inc.

Date of Retention Order: July 10, 2001, *nunc pro tunc* to April 13, 2001

Period for Which McDermott Seeks Final Court Approval:  
April 13, 2001 through March 31, 2003

Summary of Prior Interim Applications:

Period Covered	Requested Fees	Requested Expenses	Status	Balance Due
First Application: 4/25/01 – 8/31/01	\$507,788.50	\$41,237.37	Court approved 12/10/01 Fees: \$507,788.50 Expenses: \$40,032.56 <sup>1</sup>	\$0

<sup>1</sup> Reduction of expenses agreed to with the U.S. Trustee

Second Application: 9/1/01 – 12/31/01	\$189,564.50	\$20,510.57	Court Never Finalized Order Fees Paid: \$136,085.02 Disbursements Paid: \$20,510.57	Fees: \$53,533.41 <sup>2</sup>
Third Application: 1/1/02 – 4/30/02	\$6,272.00	\$2,073.27	Court Approved 10/2/02 Fees: \$6,272.00 Disbursements: \$2,073.27	\$0

McDermott, through this application, seeks this Court's final approval of the fees and expenses set forth in the foregoing applications.

<sup>2</sup> As a result of the entry of the Asset Protection Order, the Court has been advised that all professionals were to be paid 92.24% of approved outstanding fees and 100% of expenses for charges incurred prior to November 20, 2001. Accordingly, this balance will remain unpaid until further order of Court

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Debtors	)	
_____	)	Successor to
	)	Judge William T. Bodoh

**FINAL FEE APPLICATION OF MCDERMOTT, WILL & EMERY  
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT  
OF EXPENSES AS SPECIAL LABOR COUNSEL  
TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
FOR THE PERIOD APRIL 13, 2001 THROUGH MARCH 31, 2003**

McDermott, Will & Emery ("McDermott"), as Former Counsel to the Former Official Committee of Unsecured Creditors of LTV Steel Company, Inc. (the "Committee") hereby submits its Final Application for Allowance of Compensation and Reimbursement of Expenses for the period April 13, 2001 through and including March 31, 2003 as an Application (the "Application"). In support of this Application, McDermott states as follows:

**Introduction**

1. On December 29, 2000, LTV Steel Company, Inc. (the "Debtors") Debtors filed their voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") with the clerk of this Court.
2. The Debtors continue in the management and possession of their businesses and properties as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed herein.

3. On January 10, 2001, the United States Trustee for the Northern District of Ohio (the "United States Trustee"), pursuant to Section 1102(a) of the Bankruptcy Code, appointed the Committee of Unsecured Creditors for LTV Steel Company, Inc. William Calfee, as the designated representative of Cleveland Cliffs, Inc., was elected Chairman of the Committee and remained in that position until the Committee was disbanded. However, Committee membership was amended from time to time.

4. On July 10, 2001, this Court issued an Order appointing McDermott as Special Labor Counsel for the Committee, nunc pro tunc, as of April 13, 2001, a copy of which is attached hereto as Exhibit A.

5. On December 7, 2001, this Court approved an Asset Protection Plan ("APP") for LTV Steel Company, Inc. ("LTV Steel"), which APP provided for the wind-down of LTV Steel (D.I. 2075). Pursuant to the APP, the sale or shutdown of substantially all of the Debtor'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 (D.I. 2588).

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") (D.I. 5286). 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 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 case.

8. In light of these events, by notice dated February 25, 2003 (the "Appointment"), the United States Trustee, pursuant to Section 1102(a) of the Bankruptcy Code, appointed the Official Committee of Administrative Claimants of LTV Steel, Inc., which appointment was amended on February 27, 2003. Lynne Richardson, Credit Manager-Bankruptcy Group, Air Products & Chemicals, Inc and William R. Calfee, Executive Vice President, Cleveland-Cliffs, Inc. serve as Co-Chairpersons of the Committee.

9. On March 27, 2003, the United States Trustee disbanded the Committee in as set forth in its Notice of Disbandment filed with the Court.

10. On December 23, 2003, this Court entered the Order Authorizing LTV Steel Company, Inc. and Georgia Tubing Corporation to Establish Distribution and Dismissal Procedures and Granting Certain Related Relief (D.I. 7163). Paragraph (f) therein provides for a bar date for filing final fee applications for professionals for the period from the Petition Date to the Initial Distribution Date (January 22, 2004). The bar date therein established is 60 days after the Initial Distribution Date, or March 1, 2004, whichever is later, for professional fees and expenses rendered to the Debtors. This Application is filed pursuant to and in accordance with that Order.

**Summary Of Compensation And Expense Reimbursement Requested**

11. This Application seeks final Court approval for all fees and expenses incurred by McDermott during the period of April 13, 2001 through March 31, 2003, and is subject to, *inter alia*, this Court's Order dated January 31, 2001 (the "Administrative Order"). McDermott has received no retainers, but has received interim compensation, pursuant to the Administrative Order, as set forth below. McDermott has no arrangements or agreements with any person(s) regarding payment of its compensation other than the Orders entered by this Court.

12. Each of the persons who has performed services herein has kept daily time records setting forth the services performed and the time expended in connection therewith by category of service (the "Categories") reflected in the Guidelines for Reviewing Applications For Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 dated March 22, 1995 issued by the Office of the United States Trustee (the "Guidelines").

13. Set forth in **Exhibit B** is a listing of the names, position, and hourly rates for each professional and paralegal who rendered services during McDermott's representation of the Committee, and when they last did work for the Committee. Set forth in **Exhibit C** is a copy of each Order of Court approving McDermott's prior applications for interim compensation and reimbursement of fees. Set forth in **Exhibit D** is a summary of each monthly statement, including a breakdown of fees and expenses incurred in each matter category. Set forth in **Exhibit E** is a chart showing expenses in the amount of \$63,821.21 incurred during McDermott's representation of the Committee.

14. Set forth below is a chart summarizing all prior interim applications filed by McDermott as counsel to the Committee, the date on which such applications were approved by this Court, those amounts which were paid, and those amounts which remain unpaid.

15. In support of its request for final allowance of compensation and reimbursement sought in this Application, McDermott incorporates all prior interim fee applications filed in its capacity as counsel to the Committee in this case by reference.

**Summary Of McDermott, Will & Emery Interim Request  
For Compensation And Reimbursement Of Expenses  
For Fees And Expenses Incurred**

Period Covered	Requested Fees	Requested Expenses	Status	Balance Due
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<sup>1</sup> Reduction of expenses agreed to with the U.S. Trustee.

<sup>2</sup> As a result of the entry of the Asset Protection Order, the Court has been advised that all professionals were to be paid 92.24% of approved outstanding fees and 100% of expenses for charges incurred prior to November 20, 2001. Accordingly, this balance will remain unpaid until further order of Court.

**Project Summaries**

16. Set forth below is a narrative summary of the Category under which material and substantial services were performed by McDermott during the period April 13, 2001 through April 30, 2002.

**60001 Employee Matters**

McDermott spent time in meetings with LTV Steel Company and the United Steelworkers of America in negotiating revisions to the Modified Labor Agreement which was approved by this Court on September 19, 2001. McDermott attorneys also represented the Committee in APP and 1113 and 1114 hearings before the Court and negotiated settlements attendant to such hearings. And McDermott attorneys participated in those creditor committee meetings which required labor and employment advice and in conferences concerning labor implications of the Asset Protection Plan.

**Allowance Of Compensation**

17. 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 . . .

18. Section 330(a)(3)(A), in turn, provides:

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.

19. As shown by this Application and supporting documents, McDermott spent its time economically and without unnecessary duplication. In light of the complexity of this case, McDermott performed services for the Committee in a reasonable amount of time and at rates which are reasonable when compared with practitioners of comparable skill and experience in non-bankruptcy cases.

20. McDermott additionally incurred actual out-of-pocket expenses in connection with rendering professional services to the Committee as indicated at Exhibit E for which McDermott has requested reimbursement. The disbursements and expenses have been incurred in accordance with McDermott's normal practice of charging clients for expenses clearly related to and required by particular matters. McDermott has endeavored to minimize these expenses to the fullest extent possible.

21. McDermott'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. McDermott believes that it is most fair to charge each client only for the services actually used in performing services for that client. In these proceedings, McDermott charges \$.15 per page for internal duplicating and McDermott charges the actual third party telephone charges for outgoing facsimiles. McDermott does not charge for incoming facsimile transfers. The expenses incurred by McDermott are in compliance with the Administrative Order and Guidelines.

22. No agreement or understanding exists between McDermott 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.

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

#### Certification

24. The undersigned hereby certifies that the Committee has reviewed all invoices submitted herein and further certifies that McDermott has complied with the Administrative Order dated January 31, 2001. The undersigned has read this Application and to the best of his knowledge, information, and belief, formed after reasonable inquiry, the compensation and expense reimbursement sought comports with the Guidelines, unless otherwise specifically noted herein. The undersigned further certifies that the compensation and reimbursement for which

Court approval is sought are billed at rates and are in accordance with practices no less favorable to the Debtor than those customarily employed by McDermott generally, unless otherwise specifically noted herein.

WHEREFORE, McDermott respectfully requests that this Court enter an Order:

- (1) Granting final approval for the allowance for compensation of professional services rendered to the Committee during the period from April 25, 2001 through and including March 31, 2003;
- (2) Granting final approval of the reimbursement of McDermott's out-of-pocket expenses incurred in connection with the rendering of such professional services during the period April 13, 2001 through and including March 31, 2003;
- (3) Authorizing the Debtor to make all payments with respect to the fees and expenses requested in this Application; and
- (4) Granting such other and further relief as this Court may deem just and proper.

MCDERMOTT, WILL & EMERY

By: 

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Special Labor Counsel to the Former  
Official Committee of Unsecured Creditors

Dated: February 27, 2004