

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

EOD AUG 01 2003

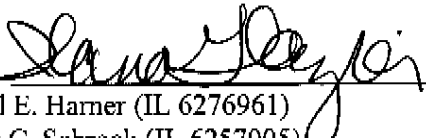
In re: : Case No. 02-B02474
: (Jointly Administered)
KMART CORPORATION, et al., : Chapter 11
: Hon. Susan Pierson Sonderby
Debtors. : Hearing Date: TBA
: Objection Deadline: TBA
:

NOTICE OF FILING

PLEASE TAKE NOTICE that the undersigned has today filed the **Fourth Interim Application (For The Period From January 1, 2003 Through May 6, 2003) And Final Application (For The Period February 5, 2002 Through May 6, 2003) Of FTI Policano & Manzo, Financial Advisors To The Official Financial Institutions' Committee, For Allowance Of Compensation For Services Rendered And Reimbursement Of Expenses** with the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Chicago, Illinois 60604, Courtroom 642.

Dated: July 31, 2003
Chicago, Illinois

OFFICIAL FINANCIAL
INSTITUTIONS' COMMITTEE

By: 
Paul E. Harner (IL 6276961)
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FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS

JUL 31 2003

KENNETH S. GARDNER, CLERK
HS REP. - SW

ATTORNEYS FOR OFFICIAL
FINANCIAL INSTITUTIONS' COMMITTEE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
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In re: Chapter 11
KMART CORPORATION, et al., : Case No. 02-B02474
: (Jointly Administered)
: Chapter 11
: Hon. Susan Pierson Sonderby

Debtors

FOURTH INTERIM APPLICATION (FOR THE PERIOD FROM JANUARY 1, 2003
THROUGH MAY 6, 2003) AND FINAL APPLICATION (FOR THE PERIOD
FEBRUARY 5, 2002 THROUGH MAY 6, 2003) OF FTI POLICANO & MANZO,
FINANCIAL ADVISORS TO THE OFFICIAL FINANCIAL INSTITUTIONS'
COMMITTEE, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES

COVER SHEET FOR APPLICATION FOR
PROFESSIONAL COMPENSATION

Name of Applicant:	FTI Policano & Manzo
Authorized to Provide Professional Services to:	The Official Financial Institutions' Committee
Date of Order Authorizing Employment (<u>nunc pro tunc</u> as of February 5, 2002:	March 6, 2002
Period for which interim compensation is Sought:	From January 1, 2003 through May 6, 2003.
Amount of Interim Fees Sought:	\$1,501,632.00
Amount of Interim Expense Reimbursement Sought	\$64,086.02

This is the fourth interim fee application filed herein by this professional. Disclosure for all interim periods is made in Attachment A.

This is also the Final Application for which compensation and reimbursement is sought, for the period from February 5, 2002 through May 6, 2003.

FOURTH INTERIM APPLICATION (FOR THE PERIOD FROM JANUARY 1, 2003 THROUGH MAY 6, 2003) AND FINAL APPLICATION (FOR THE PERIOD FEBRUARY 5, 2002 THROUGH MAY 6, 2003) OF FTI POLICANO & MANZO, FINANCIAL ADVISORS TO THE OFFICIAL FINANCIAL INSTITUTIONS' COMMITTEE, FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES

**ATTACHMENT A
TO FEE APPLICATION**

Date Filed (on or about)	Period	Total Requested		Fees (90% of requested fees)	Expenses
		Fees (100%)	Expenses (100%)		
March 30, 2002	February 5, 2002 through February 28, 2002	\$408,918.50	\$20,139.63	\$368,026.65	\$20,139.63
April 30, 2002	March 1, 2002 through March 31, 2002	\$366,155.50	\$24,530.27	\$329,539.95	\$24,530.27
May 30, 2002	April 1, 2002 through April 30, 2002	\$380,352.00	\$20,205.40	\$342,316.80	\$20,205.40
Totals -1st Interim Period		\$1,155,426.00	\$64,875.30	\$1,039,883.40	\$64,875.30
June 30, 2002	May 1, 2002 through May 31, 2002	\$459,953.50	\$36,819.28	\$413,958.15	\$36,819.28
July 30, 2002	June 1, 2002 through June 30, 2002	\$368,625.50	\$25,692.86	\$331,762.95	\$25,692.86
August 30, 2002	July 1, 2002 through July 31, 2002	\$701,152.50	\$42,497.51	\$631,037.25	\$42,497.51
September 30, 2002	August 1, 2002 through August 31, 2002	\$500,503.50	\$28,697.04	\$450,453.15	\$28,697.04
Totals - 2nd Interim Period		\$2,030,235.00	\$133,706.69	\$1,827,211.50	\$133,706.69
October 30, 2002	September 1, 2002 through September 30, 2002	\$605,466.00	\$28,220.53	\$544,919.40	\$28,220.53
November 30, 2002	October 1, 2002 through	\$890,860.50	\$55,505.02	\$801,774.45	\$55,505.02

	October 31, 2002				
December 31, 2002	November 1, 2002 through November 30, 2002	\$824,605.00	\$36,219.32	\$742,144.50	\$36,219.32
January 31, 2003	December 1, 2002 through December 31, 2002	\$775,247.50	\$33,549.84	\$697,722.75	\$33,549.84
Totals – 3rd Interim Period		\$3,096,179.00	\$153,494.71	\$2,786,561.10	\$153,494.71
February 28, 2003	January 1, 2003 through January 31, 2003	\$738,438.50	\$26,007.12	\$664,594.65	\$26,007.12
March 31, 2003	February 1, 2003 through February 28, 2003	\$404,631.00	\$18,308.97	\$364,167.90	\$18,308.97
April 30, 2003	March 1, 2003 through March 31, 2003	\$228,983.50	\$10,068.09	\$206,085.15	\$10,068.09
May 31, 2003	April 1, 2003 through May 6, 2003	\$129,579.00	\$9,701.84	\$116,621.10	\$9,701.84
Totals – 4th Interim Period		\$1,501,632.00	\$64,086.02	\$1,351,468.80	\$64,086.02
Amounts not previously submitted		\$2,023.50	\$315.79	\$1,821.15	\$315.79
Totals for all Periods	February 5, 2002 through May 6, 2003	<u>\$7,785,495.50</u>	<u>\$416,478.51</u>		

FOURTH INTERIM APPLICATION (FOR THE PERIOD FROM JANUARY 1, 2003
THROUGH MAY 6, 2003) AND FINAL APPLICATION (FOR THE PERIOD
FEBRUARY 5, 2002 THROUGH MAY 6, 2003) OF FTI POLICANO & MANZO,
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RENDERED AND REIMBURSEMENT OF EXPENSES

ATTACHMENT B

FOURTH INTERIM FEE SUMMARY

Name of Professional Person	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
M. Policano	\$625	71.8	\$44,875.00
E. Ordway	\$595	211.5	\$125,842.50
L. Ryan	\$595	27.9	\$16,600.50
S. Cunningham	\$550	439.4	\$241,670.00
R. Sloane	\$525	19.9	\$10,447.50
D. Gulley	\$465	5.0	\$2,325.00
D. Ventricelli	\$435	332.8	\$144,768.00
J. Rooney	\$425	581.3	\$247,052.50
C. Whitney	\$425	78.1	\$33,192.50
J. Turbedsky	\$375	226.0	\$84,750.00
W. Gilligan	\$375	174.5	\$65,437.50
L. Hamilton	\$375	303.9	\$113,962.50
M. Greenblatt	\$365	279.9	\$102,163.50
K. Hendricksen	\$365	1.2	\$438.00
J. Schwendeman	\$350	23.0	\$8,050.00
E. Ebbert	\$325	653.4	\$212,355.00
T. Ranta	\$300	4.3	\$1,290.00
C. Rothman	\$285	1.2	\$342.00
J. Werba	\$280	83.4	\$23,352.00
R. Sanders	\$195	2.2	\$429.00
M. DeSalvio	\$190	13.5	\$2,565.00
R. Medenwaldt	\$185	3.0	\$317.00
M. Hakoun	\$165	23.4	\$3,861.00
N. Backer	\$75	205.9	\$15,442.50
A. Hernandez	\$75	1.1	\$82.50
A. Ormond	\$70	0.3	\$21.00
Totals		3,767.9	\$1,501,632.00

**COMPENSATION BY PROJECT CATEGORY
FOR THE FOURTH INTERIM PERIOD**

Task Code	Project Category	Total Hours	Total Fees
1	Meetings with Creditors and/or Counsel	102.1	\$55,920.00
2	Meetings and Discussions with Debtors	230.7	\$114,710.00
3	Operating Results Review and Report Preparation	1,005.5	\$367,359.00
4	Business Analyses	1,255.0	\$560,230.50
5	Review of Court Filings	138.1	\$61,016.00
6	Fee Applications	251.8	\$51,068.00
7	Site Visits	0.0	\$0.00
8	Stewardship Matters	686.2	\$271,240.00
9	Case Administration	98.5	\$20,088.50
10	Non-Working Travel Time	0.0	\$0.00
	Totals	3,767.9	\$1,501,632.00

FOURTH INTERIM APPLICATION (FOR THE PERIOD FROM JANUARY 1, 2003
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EXPENSE SUMMARY FOR THE FOURTH INTERIM PERIOD

Expense Category	Total Expenses
Transportation Expenses	\$38,392.13
Lodging	\$10,147.29
Meals	\$2,872.30
Postage, Federal Express and Courier Services	\$445.19
Photocopies	\$3,888.50
Tolling Charges	\$7,673.11
Word Processing and Document Preparation and Handling	\$667.50
Total	\$64,086.02

FOURTH INTERIM APPLICATION (FOR THE PERIOD FROM JANUARY 1, 2003 THROUGH MAY 6, 2003) AND FINAL APPLICATION (FOR THE PERIOD FEBRUARY 5, 2002 THROUGH MAY 6, 2003) OF FTI POLICANO & MANZO, FINANCIAL ADVISORS TO THE OFFICIAL FINANCIAL INSTITUTIONS' COMMITTEE, FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES

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**APPLICATION FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

- EXHIBIT A Affidavit of Edwin N. Ordway, Jr.
- EXHIBIT B Descriptions of Tasks Performed January 1, 2003 through May 6, 2003
- EXHIBIT C Schedules of Hours and Fees for the period January 1, 2003 through May 6, 2003
- EXHIBIT D Schedules of Expenses incurred for the period January 1, 2003 through May 6, 2003
- EXHIBIT E Monthly Fee Statement for the Period January 1, 2003 through January 31, 2003
- EXHIBIT F Monthly Fee Statement for the Period February 1, 2003 through February 28, 2003
- EXHIBIT G Monthly Fee Statement for the Period March 1, 2003 through March 31, 2003
- EXHIBIT H Monthly Fee Statement for the Period April 1, 2003 through May 6, 2003
- EXHIBIT I Summary Schedules of Fees and Expenses for the period February 5, 2002 through May 6, 2003
- EXHIBIT J Schedule of Fees and Expenses Not Previously Submitted

**APPLICATION FOR ALLOWANCE OF COMPENSATION
AND REIMBURSEMENT OF EXPENSES**

I. Introduction

This is the fourth application for allowance of interim compensation and reimbursement of expenses ("Fourth Interim Application") made by FTI Policano & Manzo ("FTI P&M" or "Applicant"), as Financial Advisors to the Official Financial Institutions' Committee (the "Committee") of Kmart Corporation *et.al.*, (the "Company" or "Debtors") for the period January 1, 2003 through May 6, 2003 ("Fourth Interim Period"). It is also the Final Application made by FTI P&M for the period February 5, 2002 through May 6, 2003. In connection with this application, the Applicant submits as follows:

1. FTI P&M is a firm of financial advisors specializing in insolvency restructuring and related matters, and is an operating unit of FTI Consulting, Inc.

2. FTI P&M was retained by the Committee as Financial Advisors to the Committee pursuant to an order approved by the Court dated March 6, 2002 (the "Employment Order").

3. On December 30, 2002, the Court approved an expansion of the scope of the FTI engagement to include certain services with respect to the Stewardship Investigation, to be provided by an affiliate of FTI P&M, FTI Forensic Litigation and Advisory Practice ("FTI Forensics"). The expansion of scope was approved retroactive to June 13, 2002.

4. On January 25, 2002, the Court entered an order establishing procedures for interim compensation and reimbursement of expenses of professionals ("Interim Compensation Order") nunc pro tunc from February 5, 2002.

5. The Interim Compensation Order requires each professional to submit monthly statements to various parties as stated in the Interim Compensation Order. These monthly statements include a detailed schedule of the services rendered and the expenses incurred for the related period, and are submitted on or about the 30th day of every month. Following a 20 day period for notice and resolution of objections, the Interim Compensation Order requires the Debtors to promptly pay (i) 90% of undisputed professional fees; and (ii) 100% of the undisputed expenses detailed in the monthly statement.

II. The Fourth Interim Period

6. During the Fourth Interim Period, FTI P&M submitted the following monthly statements to the parties in the Interim Compensation Order:

<u>Period</u>	<u>Fees</u>	<u>Expenses</u>
1/1/03 through 1/31/03	\$738,438.50	\$26,007.12
2/1/03 through 2/28/03	\$404,631.00	\$18,308.97
3/1/03 through 3/21/03	\$228,983.50	\$10,068.09
4/1/03 through 5/06/03	\$129,579.00	\$ 9,701.84

Copies of the monthly statements are attached to this Interim Fee Application as Exhibit E, Exhibit F, Exhibit G and Exhibit H.

7. FTI P&M submits this Fourth Interim Application, pursuant to Section 330 and 331 of the United States Bankruptcy Code and Bankruptcy Rule 2016, for an interim allowance for compensation for professional services rendered to the Debtors of \$1,351,468.80, representing 90% of fees incurred, and for the reimbursement of expenses in connection therewith of \$64,086.02 for the period January 1, 2003 through May 6, 2003, for a total of \$1,415,554.82.

8. Through the date of this Fourth Interim Application, FTI P&M has been paid \$1,479,731.88, representing approximately 94% of the professional fees rendered and 100% of the expenses incurred that were included in the January, February, March and April monthly fee statements of the Fourth Interim Period.

9. FTI P&M received payment of 90% of its April 2003 monthly fees and 100% of its expenses on an estimated basis. The actual fees and expenses for April were less than the estimate resulting in an overpayment payment of \$64,177.06. The overpayment was noted in our April fee application sent to notice parties. Holdbacks related to prior periods, currently under audit by the fee auditor, are in an amount in excess of the overpayment. It is currently anticipated that no net reimbursement by FTI to the Debtors would be required.

10. During the Fourth Interim Period, the Applicant rendered professional services aggregating a total of 3,767.9 hours in the discharge of its duties as financial advisor and bankruptcy consultant to the Committee.

11. The Applicant believes that the interim fees applied for herein for professional services rendered in performing accounting and advisory services for the Committee in this proceeding are fair and reasonable in view of the time spent, the extent of work performed, the nature of the Debtors' capitalization structure and financial condition, the Debtors' financial accounting resources and the results obtained. Applicant has attached to this Fourth Interim Application, as Exhibit C, a schedule of the time expended by professionals who worked on this matter during the Fourth Interim Period and as Exhibit D, a schedule of the expenses incurred by professionals during the Fourth Interim Period. The Applicant's work during this period has been categorized into separate tasks, each of which is described in the schedules in Exhibit B.

12. Section III below briefly discusses the history of the Company prior to its filing, issues facing the Company during the Chapter 11 period, and the major tasks performed by the Applicant during the Fourth Interim Period.

III. Background

13. On January 22, 2002 (the "Petition Date"), the Debtors filed voluntary petitions for reorganization under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue to operate their business and manage their properties as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

14. Pursuant to an Application submitted to the Court on or about February 22, 2002, and by a Court order dated March 6, 2002, FTI P&M was retained as financial advisors for the Committee, nunc pro tunc from February 5, 2002. Since its retention, FTI P&M has continuously and vigorously pursued the Committee's interests in these cases.

15. The Debtors have represented at the time of filing, among other things, that: (a) the Debtors engage in business as the nation's second largest discount retailer and third largest general retailer, operating on a worldwide basis, with their corporate headquarters located in Troy, Michigan; (b) as of October 31, 2001, the Debtors' administered approximately \$17 billion of assets and reported total liabilities of \$11.3 billion; (c) the Debtors' have approximately 240,525 associates worldwide and is one of the top twelve employers in the United States with approximately \$5.2 billion in annual payroll and benefits; (d) Kmart has relationships with more than 400 vendors worldwide and is one to the country's largest purchaser of products; (e) Kmart currently operates over 2,000 stores in the United States; and (f) consolidated net sales for the twelve months ended August 1, 2001 were approximately \$37 billion.

16. The following summary 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 more fully set forth in Exhibit B. Rather, it is merely an attempt to highlight those categories of services were rendered to the Committee during the Fourth Interim Period, and which included (i) Meetings with Creditors and Creditors' Counsel, (ii) Meetings and discussions with Debtors, (iii) Operating results review and preparation of reports thereon, (iv) Preparation of various business analyses, (v) Review of court filings, including all documents pertinent to the Plan of Reorganization, (vi) Fec application preparation, (viii) Review of stewardship matters, and (ix) Case administration activities.

17. FTI P&M's role included the preparation and communication of various financial analyses requested by the Committee in order to assist their rapid understanding of the issues facing the Debtors.

18. For the Fourth Interim Period, FTI P&M seeks compensation totaling \$1,351,468.80, representing 90% of fees incurred. FTI P&M expended an aggregate of 3,767.9 hours. The work involved, and thus the time expended, was carefully assigned in light of the experience and expertise required for a particular task. The staff of the Debtors or their advisors has been utilized where practical and prudent.

19. In addition, FTI P&M incurred out-of-pocket expenses in connection with the rendition of the professional services described above in the sum of \$64,086.02 for which FTI P&M respectfully requests reimbursement in full. All expenses were billed at actual cost, exclusive of amortization of the cost of investment, equipment or capital outlay. In accordance with Standing Order No. 8, issued by Chief Judge Susan Pierson Sonderby, internal charges for outgoing out-of-town facsimile transmissions were not billed and photocopy charges were billed at actual cost for external copying and \$.10 per page for internal copying.

20. The disbursements and expenses have been incurred in accordance with FTI P&M's normal practice of charging clients for expenses clearly related to and required by particular matters. Such expenses were often incurred to enable FTI P&M to devote time beyond normal office hours to matters that imposed extraordinary time demands. FTI P&M has endeavored to minimize these expenses to the fullest extent possible.

21. FTI P&M's approach is to utilize senior, experienced personnel and to encourage the Debtors to provide the staff-level support and analysis to minimize total cost. In addition, FTI P&M's per diem rates for professionals of comparable experience are 10% to 15% lower than its competitors, the "Big-Four" accounting firms and certain other nationally-recognized specialty firms.

22. Because FTI P&M's core staff consisted of senior professionals who performed a vast amount of the work, time spent communicating internally and reviewing the work product of junior associates was kept to a minimum. Additionally, because of the experience of FTI P&M's professionals, in many instances only one or two FTI P&M representatives attended meetings or conference calls or performed specific functions.

23. Edwin N. Ordway, Jr., Managing Director in charge of this case, directed the activities of the FTI P&M team, calling upon his more than ten years of experience in restructuring and insolvency matters, including more than 100 cases, many as large or as complex as this matter.

IV. Summary of Fees and Expenses Incurred

24. To the best of the Applicant's knowledge and belief, there has been no duplication of services between the Applicant and any other accountants or consultants to the bankruptcy estate.

25. FTI P&M's travel time policy is for professional personnel to travel outside of business hours when possible. Such time is not charged to a client unless productive work is performed during the travel period. In this engagement, FTI P&M has sought to minimize the non-productive travel time that is being charged to the Debtors. Non-working travel time is charged at one-half of the normal billing rate for the professional incurring the non-working travel time.

26. In providing a reimbursable service such as copying or telephone, the Applicant does not make a profit on that service. In charging for a particular service, FTI P&M does not include in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment or capital outlay. In seeking reimbursement for a service which the Applicant justifiably purchased or contracted for from a third party, FTI P&M requests reimbursement only for the amount billed to FTI P&M by such third party vendor and paid by FTI P&M to that vendor.

27. FTI P&M's policy with respect to word processing and document preparation and handling services provided by FTI P&M employees is to bill clients by the hour for such time, but only if the employees' time is clearly and exclusively devoted to work performed for that particular client, such as for the preparation, collation and binding of a report for a client. Such services are billed to the Debtors at a rate commensurate with that which would be charged by a third party provider such as a temporary employment agency.

28. Annexed hereto as Exhibit B are summaries of the services performed by the Applicant during the Fourth Interim Period at the direction of the Committee and its Counsel.

29. Annexed hereto as Exhibit C are schedules of hours and fees for the Fourth Interim Period.

30. Annexed hereto as Exhibit D are detailed descriptions of the expenses incurred during the Fourth Interim Period.

31. Annexed hereto as Exhibit E, Exhibit F, Exhibit G and Exhibit H are the Monthly Fee Statements for the Fourth Interim Period.

32. Annexed hereto as Exhibit I are summary schedules of fees and expenses for the periods February 5, 2002 through May 6, 2003.

33. Annexed hereto as Exhibit J is a summary schedule of fees and expenses not previously submitted during the periods February 5, 2002 through May 6, 2003.

34. Pursuant to Rule 2016, FTI P&M states that no compensation to be received in this proceeding will be shared with any person or entity outside of FTI P&M and that no compensation has been paid or promised to the Applicant in connection with the compensation sought in this Application except as disclosed herein. No prior application

has been made to this or any other Court for the relief requested herein for the Compensation Period, nor has any payment been received by FTI P&M on account of its accounting and financial advisory services rendered or on account of the out-of-pocket expenses incurred in connection therewith.

V. Final Application

35. This is also the Final Application made by FTI P&M in these cases. FTI P&M has sought compensation of fees and reimbursement of expenses in four interim fee applications, including the current application:

First Interim Application – for the period February 5, 2002 through April 30, 2002, docket number 4040.

Second Interim Application – for the period May 1, 2002 through August 31, 2002, docket number 6820.

Third Interim Application – for the period September 1, 2002 through December 31, 2002, docket number 9277.

Fourth Interim Application – for the period January 1, 2003 through May 6, 2003.

36. In addition, FTI P&M is seeking compensation of fees and reimbursement of expenses for fees and expenses not previously submitted. These fees and expenses are described in Exhibit J.

37. In addition, FTI P&M anticipates that it will incur post-effective date fees and expenses primarily in connection with the preparation of fee applications and the review and audit of its fee applications. FTI P&M reserves the right to submit post-effective date invoices to the Debtors and to receive payment with respect to these post-effective date fees and expenses from the Debtors in accordance with Section 15.4 of the Plan of Reorganization.

38. The fees, hours and expenses for all periods are included in the summary schedules attached as Exhibit I to this fee application.

39. As stated in the Affidavit of Edwin N. Ordway, Jr. annexed hereto as Exhibit A, all of the services for which interim compensation and final compensation is sought herein were rendered for and on behalf of the Committee solely in connection with these cases.

40. The Debtors will give notice of the relief requested herein and of the relief requested by the other professionals in their respective applications for allowance of compensation by serving notice of this application upon all parties that have requested notice in these cases, and FTI P&M has served copies of the Application with exhibits to the Debtors and on the United States Trustee.

41. WHEREFORE, the Applicant respectfully requests that this Court enter an order:

- a. approving the interim allowance of compensation for professional services rendered to the Committee during the period from January 1, 2003 through and including May 6, 2003 in the amount of \$1,351,468.80;

- b. approving the reimbursement of FTI P&M's out-of-pocket expenses incurred in connection with the rendering of such services during the period from January 1, 2003 through and including May 6, 2003 in the amount of \$64,086.02; and
- c. authorizing the Debtor to pay as interim compensation to FTI P&M 90% of the amount of the professional services rendered and 100% of the expenses incurred by FTI P&M during the period from January 1, 2003 through and including May 6, 2003, subject to final payment of the full amount; and
- d. approving the final allowance of compensation for 100% of the amount of the professional services rendered to the Committee during the period from February 5, 2002 through May 6, 2003; and
- e. approving the final reimbursement of 100% of FTI P&M's out-of-pocket expenses incurred in connection with the rendering of such services during the period from February 5, 2002 through and including May 6, 2003; and
- f. authorizing the Debtor to pay as final compensation to FTI P&M 100% of the amount of the professional services rendered and 100% of the expenses incurred by FTI P&M during the period from February 5, 2002 through May 6, 2003, subject to final determination of the fee auditor and less any payments previously received; and
- g. granting such other and further relief as this Court may deem just and proper.

Date: July 11, 2003

FTI Policano & Manzo

By 

Edwin N. Ordway, Jr.
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