

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In Re: Chapter 11
LOEWEN GROUP INTERNATIONAL, INC., Case No. 99-1244 (PJW)
a Delaware Corporation, et al., Jointly Administered
Debtors. Hon. Peter J. Walsh

**TWENTY-SECOND AND FINAL APPLICATION OF
PRICEWATERHOUSECOOPERS LLP FOR ALLOWANCE OF COMPENSATION
AND REIMBURSEMENT OF EXPENSES AND AUTHORIZATION OF
PAYMENT OF HOLDBACKS**

Name of Applicant: PricewaterhouseCoopers LLP
Authorized to Provide Professional Services to: Official Committee of Unsecured Creditors
Date of Retention: June 11, 1999
Interim Period for which compensation and
reimbursement is sought: July 1, 2001 through December 31, 2001
Final Period for which compensation and
reimbursement is sought: June 11, 1999 through December 31, 2001
Amount of Interim Compensation Requested: \$64,285.10
Amount of Interim Expense Reimbursement
Requested: \$125.56
Amount of Final Compensation Requested: \$2,812,293.10
Amount of Final Expense Reimbursement
Requested: \$162,687.27
Holdback Periods April 1, 2000 through June 30, 2001
Amount of Holdback Payment Authorization
Requested: \$261,770.46

This is the final application.

The total time expended for the preparation of this application is approximately 30 hours and the corresponding compensation to be requested in this period is approximately \$2,947.00.

If this is not the first application filed, disclose the following for each prior application:

Date Filed	Period Covered	Requested		Approved		Holdback
		Fees	Expenses	Fees	Expenses	
September 13, 1999	June 11, 1999 – July 31, 1999	\$324,738.30	\$20,079.44	\$324,738.30	\$20,079.44	
September 30, 1999	August 1, 1999 – August 31, 1999	\$245,891.70	\$21,740.41	\$245,891.70	\$21,740.41	
October 26, 1999	September 1, 1999 – September 30, 1999	\$135,750.50	\$7,456.94	\$135,750.50	\$7,456.94	
November 24, 1999	October 1, 1999 – October 31, 1999	\$145,401.50	\$5,368.90	\$145,401.50	\$5,368.90	
December 27, 1999	November 1, 1999 – November 30, 1999	\$102,992.20	\$3,360.27	\$102,992.20	\$3,360.27	
January 27, 2000	December 1, 1999 – December 31, 1999	\$93,518.50	\$9,352.32	\$93,518.50	\$9,352.32	
February 25, 2000	January 1, 2000 – January 31, 2000	\$131,644.60	\$12,926.37	\$131,644.60	\$12,926.37	
March 27, 2000	February 1, 2000 – February 29, 2000	\$125,402.30	\$9,446.49	\$125,402.30	\$9,446.49	
April 26, 2000	March 1, 2000 – March 31, 2000	\$133,816.10	\$13,433.52	\$133,816.10	\$13,433.52	
May 26, 2000	April 1, 2000 – April 30, 2000	\$96,877.40	\$4,302.09	\$77,501.92	\$4,302.09	\$19,375.48
June 27, 2000	May 1, 2000 – May 31, 2000	\$123,932.50	\$6,065.52	\$99,146.00	\$6,065.52	\$24,786.50
July 24, 2000	June 1, 2000 – June 30, 2000	\$63,226.10	\$5,309.51	\$50,580.88	\$5,309.51	\$12,645.22
August 25, 2000	July 1, 2000 – July 31, 2000	\$168,089.80	\$5,430.02	\$134,471.84	\$5,430.02	\$33,617.96
October 4, 2000	August 1, 2000 – August 31, 2000	\$149,998.70	\$10,416.43	\$119,998.96	\$10,416.43	\$29,999.74
November 2, 2000	September 1, 2000 – September 30, 2000	\$79,752.10	\$1,762.86	\$63,801.68	\$1,762.86	\$15,950.42
December 6, 2000	October 1, 2000 – October 31, 2000	\$185,947.70	\$8,363.06	\$148,758.16	\$8,363.06	\$37,189.54
January 8, 2001	November 1, 2000 – November 30, 2000	\$148,521.60	\$4,566.05	\$118,817.28	\$4,566.05	\$29,704.32
May 4, 2001	December 1, 2000 – December 31, 2000	\$74,015.20	\$11,703.22	\$59,212.16	\$11,703.22	\$14,803.04
May 30, 2001	January 1, 2001 – January 31, 2001	\$62,862.00	\$395.07	\$50,289.60	\$395.07	\$12,572.40
July 13, 2001	February 1, 2001 – March 31, 2001	\$55,029.00	\$488.14	\$44,023.20	\$488.14	\$11,005.80
August 20, 2001	April 1, 2001 – June 30, 2001	\$100,600.20	\$595.08	\$80,480.16	\$595.08	\$20,120.04
February 10, 2002	July 1, 2000 – December 31, 2001	\$64,285.10	\$125.56	Pending	Pending	
	GRAND TOTAL	\$2,812,293.10	\$162,687.27			\$261,770.46

**ATTACHMENT B
TO FEE APPLICATION**

FOR LOEWEN GROUP INTERNATIONAL, INC. 99-1244 (PJW)

For the Period Covering July 1, 2001 through December 31, 2001

Name of Professional Person	Position of the Applicant, Number of Years in that Position, Prior Relevant	Hourly Billing Rate (including	Total Billed Hours	Total Compensation
U.S. FAS PROFESSIONALS				
Imhoff, Dewey	Partner for 2.5 years; 20.8 years of prior relevant experience; CPA-1980; CIRA-1995; Business Recovery Services	\$ 595.00	74.5	\$ 44,327.50
Conrad, Francis G.	Director for 2.5 years; 21.3 years of prior relevant experience; JD-1977; CIRA-1999; CPA-1972; CFE-1998; Business Recovery	495.00	20.2	11,154.00
Gelhaus, Gregory	Senior Associate for 1.5 years; 2.7 years of prior relevant experience; passed CPA exam requirement, working toward work requirement; Business Recovery Services	325.00	4.2	1,365.00
Compagnola, Jess	Associate for 1.5 years; no prior relevant experience; holds no licenses; Business Recovery Services	250.00	23.8	5,950.00
U.S. FAS Professionals Sub-Total			122.7	\$ 62,796.50
U.S. TAX PROFESSIONALS				
Aeder, Mitch	Partner for 3.5 years; 9.3 years of prior relevant experience; JD-1987; LLM-1991; Tax Consulting Services	\$ 772.00	0.9	\$ 694.80
Mani, Pavithra	Senior Associate for 1.0 years; 2.3 years of prior relevant experience; CPA - 1998; Tax Consulting Services.	378.00	2.1	\$ 793.80
U.S. TAX Professionals Sub-Total			3.0	\$ 1,488.60
Grand Total:			125.7	\$ 64,285.10
Blended Rate:				\$ 511.42

**ATTACHMENT B
TO FEE APPLICATION
COMPENSATION BY PROJECT CATEGORY**

FOR LOEWEN GROUP INTERNATIONAL, INC. 99-1244 (PJW)
For the Period Covering July 1, 2001 through December 31, 2001

Code	Category	Project Category	Total Hours	Total Fees
1060	1	Analysis & Review - Court Documents	16.6	\$ 9,727.00
1075	2	Analysis & Review - Financial Performance	10.9	5,554.00
1245	3	Analysis & Review - Disclosure Statement	34.2	20,398.20
1255	4	Analysis & Review - Claims Process	7.6	3,614.00
1220	5	Analysis & Review - Taxation	1.6	959.40
1260	6	Case Status Meetings / Planning	5.8	3,411.00
1480	6	Preparation of Work Papers & Files	21.6	10,027.50
1280	7	Client Meeting and Discussion - Prepare for and Attend	5.0	2,855.00
1350	8	Fee Application	22.4	7,739.00
		Total Fee for Period	125.7	\$ 64,285.10

**ATTACHMENT B
TO FEE APPLICATION
EXPENSE SUMMARY**

FOR LOEWEN GROUP INTERNATIONAL, INC. 99-1244 (PJW)
For the Period Covering July 1, 2001 through December 31, 2001

Expense Category	Service Provider (if applicable)	Total Expenses
Travel (Ground and Air)		\$ 125.56
Total Expenses		\$ 125.56

[1] Detail by professional follows in Exhibit D.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In RE:)	Chapter 11
)	Case No.
)	99-1244 (PJW)
)	
LOEWEN GROUP INTERNATIONAL, INC., a Delaware Corporation, <u>et al.</u> ,)	Jointly Administered
)	
Debtors.)	
)	
)	Hon. Peter J. Walsh

APPLICATION OF PRICEWATERHOUSECOOPERS LLP FOR ORDER (I) ALLOWING INTERIM COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD JULY 1, 2001 THROUGH DECEMBER 31, 2001 AND (II) GRANTING FINAL ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD JUNE 11, 1999 THROUGH DECEMBER 31, 2001 WHICH INCLUDES HOLDBACKS FOR THE PERIODS APRIL 1, 2000 THROUGH JUNE 30, 2001

PricewaterhouseCoopers LLP, (hereinafter referred to as “PricewaterhouseCoopers”, “PwC” or the “Applicant”) moves pursuant to Sections 330 and 331 of Title 11 of the United States Code and Bankruptcy Rule 2016 for an Order (I) awarding reasonable interim compensation for professional services rendered as Accountants to the Official Committee of Unsecured Creditors (the “Committee”) of Loewen Group International, Inc., et al., (hereinafter referred to as “TLGI”, the “Debtors” or collectively the “Company”) in the amount of \$64,285.10 together with reimbursement for actual and necessary expenses in the amount of \$125.56 for the period of July 1, 2001 through December 31, 2001 (the “Final Fee Period”) and for an Order (II) awarding final allowance of compensation for professional services rendered in the amount of \$2,812,293.10, together with reimbursement for actual and necessary expenses in the amount of \$162,687.27 for the period June 11, 1999 through December 31, 2001 which includes the holdback of professional services fees, previously approved by the court, for the periods April 1, 2000 through June 30, 2001 in the amount of \$261,770.46.

In support of this application, the Applicant represents as follows:

1. On June 1, 1999 (the "Petition Date"), the Debtors filed a voluntary petition for relief pursuant to Chapter 11 of the United States Bankruptcy Code (the "Code"). Since that date, the Debtors have continued in possession of its business and property as debtor-in-possession in accordance with sections 1107(a) and 1108 of the Code.

2. No trustee or examiner has been appointed in this case.

3. On September 8, 1999 this Court approved an order (the "Retention Order") authorizing the employment of PwC as accountants to the Unsecured Creditors Committee.

4. The Retention Order authorized the retention of PwC to render to the Committee the following essential services, which include but are not limited to the following:

- (a) advise and assist the Committee in its examination, analysis and monitoring of the Debtors' historical, current and projected financial affairs, including without limitation, schedules of assets and liabilities, statements of financial affairs, periodic operating reports, analyses of cash receipts and disbursements, analyses of cash flow forecasts, analyses of trust accounting, analyses of various asset and liability accounts, analyses of cost-reduction programs, analyses of any unusual or significant transactions between the Debtors and any other entities, and analyses of proposed restructuring transactions;
- (b) advise and assist the Committee in its review of the Debtors' existing and proposed systems and controls, including but not limited to organizational structure, cash management and management information and reporting systems;
- (c) advise and assist the Committee in developing and negotiating any plan of reorganization scenarios including, as necessary, certain information to be included in the disclosure statement;
- (d) advise and assist the Committee in preparing or reviewing strategic options, business plans and financial projections;
- (e) advise and assist the Committee in reviewing executory contracts and provide recommendations to assume or reject;

- (f) advise and assist the committee in its assessment of the management team, including a review of the bonus, incentive and retention plans;
- (g) advise and assist the Committee to review and evaluate the claims process;
- (h) advise and assist the Committee regarding various reorganization tax issues, including calculating net operating loss carryforwards, and the tax consequences of any proposed plans of reorganization;
- (i) attend Committee meetings and court hearings as may be required in their role as accountants to the Committee;
- (j) render expert testimony and litigation support services, as requested from time to time by the Committee and its counsel, regarding valuations, appraisals and/or the feasibility of a plan of reorganization and other matters;
- (k) advise and assist the Committee in identifying or reviewing debtor-in-possession financing;
- (l) advise and assist the Committee in identifying and/or reviewing preference payments, fraudulent conveyances and other causes of action;
- (m) advise and assist the Committee in reviewing any proposed sales of assets or business units; and,
- (n) assist with such other accounting and financial advisory services as may be requested by the Committee and its counsel.

5. This Application is made by PricewaterhouseCoopers LLP in accordance with Local Rule 32 dated December 12, 1996, the Guidelines adopted by the Executive Office for the United States Trustee and the Administrative Order, Pursuant to Section 105(a) and 331 of the Bankruptcy Code, Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated August 24, 1999. Pursuant to this application, PwC has attached the following exhibits:

- a. Exhibit A - Copy of the Retention Order authorizing employment of PwC;
- b. Exhibit B - Summary schedule showing the professionals who performed the services, the number of hours spent, the respective professional's billing rate, and the total fees for such services;
- c. Exhibit C - Summary by Project Code, Detail of Professional Fees and itemized

time records, in chronological order, of each specific service for which an award of compensation is sought. The itemized record includes: (1) the date each service was rendered, (2) the professional(s) who performed the service, (3) a description of the services rendered, and (4) the time spent performing the service in increments of tenths of an hour for the period July 1, 2001 through December 31, 2001;

d. Exhibit D - Expense Summary and Expense Detail reports by individual, which itemize total expenses for which reimbursement is sought. All expenses for which reimbursements are sought are disclosed in detail by individual. It should be noted that PwC has eliminated the reimbursement request for certain out-of-pocket expenses when it would not be possible to assemble the billing details for reimbursement under the Guidelines. These out-of-pocket expenses typically include telephone charges for calls placed in its offices, postage costs including Federal Express charges and copying and facsimile charges incurred at the Applicant's offices in connection with this case. These out-of-pocket costs are real costs that have been incurred by PwC and have benefited the Estate. The estimated cost of these expenses incurred pursuant to PwC's normal and customary billing functions is approximately \$570.00;

e. Exhibit E - Brief biographical summaries for senior members of the engagement team who have spent a considerable amount of time on the case; and,

f. Exhibit F - Affidavit of Dewey Imhoff in accordance with Federal Bankruptcy rule 2106, and

6. Fee and Expense Request - Applicant requests an interim award of \$64,285.10 for professional services and reimbursement of \$125.56 for necessary expenses incurred on behalf of the Committee during the Twenty-Second and Final Fee Period from July 1, 2001 through and including December 31, 2001. Applicant also requests final allowance of compensation for professional services rendered in the amount of \$2,812,293.10, together with reimbursement for actual and necessary expenses in the amount of \$162,687.27 for the period June 11, 1999 through December 31, 2001 which includes the holdback of professional services fees, previously approved by the court, for the periods April 1, 2000 through June 30, 2001 in the amount of \$261,770.46.

7. In rendering the services described herein, PwC expended a total of 178 hours during the Twenty-Second and Final Fee Period from July 1, 2001 through December 31, 2001. For purposes of this fee application, we have voluntarily excluded approximately 52.3 hours of time expended which relates to reimbursable work performed by individuals, quality control review time which may be construed to be duplicative, limited non-reimbursable travel and administrative hours. In addition, PwC is not applying for fees related to time incurred by PwC professionals who provided limited or non-essential assistance on this case. As a result of these omissions, some telephone calls or work sessions may not have corresponding time entries for all participants.

The following table summarizes the total hours and professional fees charged by task description for the Twenty-Second and Final Fee Period:

<i>SUMMARY OF SERVICES BY CODE AND DISCUSSIONS OF NECESSITY AND BENEFIT TO THE DEBTORS</i>			
Category	Description	Total Hours	Total Fees
1	Analysis & Review – Court Documents	16.6	\$ 9,727.00
2	Analysis & Review – Financial Performance	10.9	5,554.00
3	Analysis & Review – Disclosure Statement	34.2	20,398.20
4	Analysis & Review – Claims Process	7.6	3,614.00
5	Analysis & Review – Taxation	1.6	959.40
6	Planning, Preparation and Organization	27.4	13,438.50
7	Client Meeting and Discussion - Prepare for and Attend	5.0	2,855.00
8	Fee Application	22.4	7,739.00
	Total Fee for Period	125.7	\$64,285.10

8. The services rendered by PwC during the Twenty-Second and Final Fee Period can be grouped into the main categories as summarized in the chart above and described in greater detail below. An even more detailed summary by task is included as Exhibit C. The professionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category, are detailed in Exhibit C.

Category 1 – Analysis & Review – Court Documents – PwC spent time reviewing US and Canadian Bankruptcy Court documents, including motions filed. Additionally, PwC spent time discussing motions with Committee counsel.

Category 2 – Analysis and Review – Financial Performance – This category consists of time incurred evaluating the Debtors' post-petition performance and reporting. PwC reviewed various reports prepared by the Debtors including, but not limited to the weekly flash reports, US Trustee Reports and the Monthly Operating Reports for the months of June, July, August and September as well as analyzing TLGI's financial performance for the months of June, July, August and September.

Category 3 – Analysis and Review – Disclosure Statement – At the request of the Committee and the Committee's Counsel, PwC continued reviewing several versions of the Amended Plan of Reorganization and Disclosure Statement prior to and after the filing of these motions (filed on November 14, 2000). Additionally, PwC drafted memos to the Committee discussing the modifications to the Amended Plan of Reorganization and Disclosure Statement and issues related to the liquidation trust.

Category 4 – Analysis & Review – Claims Process – At the request of the Committee and the Committee's Counsel, PwC continued to review the methodology for the analysis and processing of claims and the valuation of the legal / accounting entities. In addition, PwC participated in telephone calls with the Committee's Counsel to review and discuss TLGI's claims recovery model and potential recoveries by the Creditors. PwC also continued its review of the claims model prepared by the Debtors' financial advisor and reviewed correspondence from the Committee's Counsel regarding issues that could impact claims.

Category 5 – Analysis & Review – Taxation – This category includes time spent reviewing and understanding the tax issues related to the drafts of the Debtors' Amended Plan of Reorganization and Disclosure Statement. Additionally, time was spent reviewing and discussing the IRS' audit memo.

Category 6 – Planning, Preparation and Organization – This category includes a number of different tasks, all of which were necessary to the Applicant's efficient and timely service to the Committee during these Bankruptcy proceedings. These tasks included, but were not limited to, reviewing case correspondence, conducting case status and planning meetings, organizing documents and preparing workpaper files.

Category 7 – Client Meeting and Discussion - Prepare for and Attend – PwC spent time preparing for and participating in certain teleconference calls with the Committee, the Committee Co-Chair and its other professionals and the Debtor's Executive Committee to discuss the financial conditions of the Company and other various case matters.

Category 8 – Fee Application – This category includes time spent preparing the statements which were attached to the Twentieth and Twenty-First Interim Fee Applications in accordance with the requirements of this Court. In addition, time was spent preparing the statements which are attached to this Twenty-Second and Final Fee Application in accordance with the requirements of this Court. Included in the amount above is \$2,947.00 in additional compensation relating to services rendered, prior to the Debtors Effective Date of Reorganization, in connection with time incurred in the preparation of this Twenty-Second and Final Fee Application. The time incurred subsequent to the Debtor's Effective Date of Reorganization was not charged to the Estate.

9. Such services were reasonable and necessary in order for PwC to discharge its duties and obligations to the Committee and this Court. Applying the Applicant's usual and customary billing rates for the types of services performed to the time spent as generally accepted by the firm's clients, PwC incurred total fees of \$64,285.10 for the period from July 1, 2001 through December 31, 2001.

10. In rendering these services, PwC made every effort to maximize the benefit to the Estate and to work with other professionals employed in the case to avoid duplication of effort. The amount of services rendered by PwC to achieve the results obtained for the benefit of the Estate was reasonable in light of the complexity of the issues involved in this case. PwC judiciously allocated responsibilities to minimize possible duplication of efforts. Compensation is sought for participation by more than one professional only in instances where joint participation was necessary because of the significant impact of a particular meeting, the complexity of the problem involved, the line of business impacted (e.g. Funeral Home or Cemetery), the bankruptcy court jurisdiction, the specialization required or the need to preserve a continuity of representation. It is often necessary for more than one professional to attend a meeting to facilitate communication of information rather than to relay the information from individual to individual.

11. Attached hereto as Exhibit E are brief biographical summaries on senior members of the engagement team who have spent considerable time on the case. Dewey Imhoff and Francis Conrad have been the advisors of the Applicant primarily responsible for the representation to the Committee. Whenever possible, senior associates and associates have assisted Mr. Imhoff and Mr. Conrad in this case to avoid increasing expenses to the Estate.

12. Other than as provided in Section 504(b) of the Bankruptcy Code, PwC has not shared, or agreed to share, any compensation received as a result of this case with any person, firm or entity. No promises concerning compensation have been made to PwC by any firm, person or entity. The sole and exclusive source of compensation shall be funds of the Estate.

13. The Applicant asserts that compensation requested above is reasonable compensation for the actual and necessary services rendered based upon the time, nature and value of such services. PwC further asserts that the cost of services rendered for and on behalf of the Debtors is comparable to the cost of similar services in matters other than under the Bankruptcy Code.

14. In accordance with the Administrative Order, Pursuant to Sections 105(a) and 331 of the Bankruptcy Code, Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals (the "Administrative Order"), PwC has submitted to this Court its Twenty-Second and Final Fee Application requesting compensation for the period July 1, 2001 through December 31, 2001. As of the date of this application, the Debtors have made payments equal to one hundred percent (100%) of PwC's fees and expenses for the following Interim Fee Applications:

<u>Interim Fee Application #</u>	<u>Period</u>
1	6/11/99 – 7/31/99
2	8/01/99 – 8/31/99
3	9/01/99 – 9/30/99
4	10/01/99 – 10/31/99
5	11/01/99 – 11/30/99
6	12/01/99 – 12/31/99
7	1/01/00 – 1/31/00
8	2/01/00 – 2/29/00
9	3/01/00 – 3/31/00

As of the date of this application, the Debtors have made payments equal to eighty percent (80%) on of PwC's fees and one hundred percent (100%) on PwC's expenses for the following Interim Fee Applications except the 19th Interim Fee Application which has been approved for payment by the Debtors:

<u>Interim Fee Application #</u>	<u>Period</u>
10	4/01/00 – 4/30/00
11	5/01/00 – 5/31/00
12	6/01/00 – 6/30/00
13	7/01/00 – 7/31/00
14	8/01/00 – 8/31/00
15	9/01/00 – 9/30/00
16	10/01/00 – 10/31/00
17	11/1/00 – 11/30/00
18	12/1/00 – 12/31/00
19	(Not Paid)
20	2/1/01 – 3/31/01
21	4/1/01 – 6/30/01

Based upon the holdback schedule, PricewaterhouseCoopers is entitled to payment from the reorganized Debtor for the holdback on previously approved fees in the amount of \$261,770.46.

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THEREFORE, PricewaterhouseCoopers LLP respectfully requests that the Court enter an Order granting interim allowance of compensation for professional services rendered by PwC to the Unsecured Creditors' Committee during the Twenty-Second and Final Fee Period from July 1, 2001 through December 31, 2001 in the amount of \$64,285.10, the reimbursement of necessary and reasonable out-of-pocket expenses in the amount of \$125.56, and awarding final allowance of compensation for professional services rendered in the amount of \$2,812,293.10, together with reimbursement for actual and necessary expenses in the amount of \$162,687.27 for the period June 11, 1999 through December 31, 2001 which includes the holdback of professional services fees, previously approved by the court, for the periods April 1, 2000 through June 30, 2001 in the amount of \$261,770.46 for a total amount due of \$326,181.12 and that the reorganized Debtors are authorized to pay Applicant the total amount due, and for such other and further relief as is just and necessary in the circumstances.

Respectfully submitted,

By:



Dewey Imhoff
PricewaterhouseCoopers LLP
1177 Avenue of the Americas
New York, New York 10036
(646) 471-7178

(Dated: February 12, 2002)