

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____)	
In re)	Chapter 11 Cases
)	
MEDICAL RESOURCES, INC., <i>et al.</i> ,)	Case No. 00-11446 (PCB)
)	
Debtors.)	Jointly Administered
_____)	

**APPLICATION BY SULLIVAN & WORCESTER LLP, COUNSEL TO THE SENIOR
NOTEHOLDERS FOR PAYMENT OF FEES AND REIMBURSEMENT OF EXPENSES
BASED ON SUBSTANTIAL CONTRIBUTION PROVIDED**

TO: THE HONORABLE PRUDENCE CARTER BEATTY,
UNITED STATES BANKRUPTCY JUDGE:

Sullivan & Worcester LLP (“S&W” or the “Applicant”) in its capacity as counsel to the Senior Noteholders (as defined below) seeks compensation for services rendered and reimbursement for expenses incurred in the above-captioned Chapter 11 bankruptcy case of Medical Resources, Inc. and its affiliates (the “Debtor” or “MRI”).

This application (the “Application”) by S&W is made pursuant to Sections §§ 503(b)(3)(D) and 503(b)(4) of the United States Bankruptcy Code, 11 U.S.C. §§101 *et seq.* (the “Code”), as applicable. Attached hereto in support of this Application is the Affidavit of Gayle P. Ehrlich (the “Ehrlich Affidavit”), which includes, as Exhibits, narrative descriptions and detail of services rendered by the Applicant for the period from April 7, 2000 through February 27, 2001, and detail of fees and costs incurred in the preparation of this Application. The Ehrlich Affidavit and its Exhibits is incorporated herein by reference. In further support of the Application, the Applicant states the following.

BACKGROUND

1. On April 7, 2000 (the "Petition Date"), MRI filed a petition in this Court for reorganization under Chapter 11 of the Code, commencing the above-referenced case (the "Case"). During the pendency of the Case, MRI operated its business and managed its property as debtor-in-possession pursuant to sections §§ 1107 and 1108 of the Code.

2. On February 1, 2001, this Court confirmed the Debtor's Third Amended Joint Plan of Reorganization (the "Plan").

3. This Court has jurisdiction over this Application pursuant to 28 U.S.C. § 1334. The subject matter of this Application is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

4. Pursuant to Section 10.1 of the Plan, this Court retained jurisdiction as defined in Article I of the Plan to include claims for compensation or reimbursement of expenses pursuant to Section § 503(b) of the Code in connection with an application made to the Court in the Case.

5. Pursuant to Section 5.3 of the Plan, any party seeking compensation must file an application with the Court no later than the first business day (as defined in Article I of the Plan) that is 20 days after the Effective Date. The Effective Date was February 26, 2001.

THE APPLICANT

6. As of the Petition Date, each of the Senior Noteholders held a general unsecured claim against MRI, which claims aggregated approximately \$80 million, representing approximately 85% of the total unsecured debt estimated by the Debtor to be "Allowed Claims" against the Debtor's estate. The claims arose pursuant to a loan arrangement between the Debtor and each of the Senior

Noteholders. The Senior Noteholders include each of the entities identified in Exhibit A attached to the Ehrlich Affidavit.

7. Each of the Senior Noteholders retained the Applicant to serve, and the Applicant has served as counsel to each of them in all matters arising from or in connection with the Case.

SUMMARY OF SERVICES RENDERED

8. As more fully detailed in the narrative summaries, and in detailed time entries included as Exhibits B through I to the Ehrlich Affidavit, the services provided by S&W in MRI's Chapter 11 case provided a substantial contribution to the Debtor's estate. Ehrlich Aff. at ¶3. Services provided have been segregated into categories based upon the subject matter of the representation. Indicated below are the categories of services and the compensation sought in each category:

a.	General Matters and Case Administration:	\$34,137.25
b.	Resolution of Litigation:	\$42,110.25
c.	Creditor Relations:	\$48,015.50
d.	Claims Analysis and Review:	\$ 4,415.50
e.	Review and Modification of Disclosure Statement:	\$26,447.25
f.	Structuring, Review and Modification of Plan:	\$56,456.75
g.	Corporate transactional work in connection with Plan Confirmation and Consummation:	\$35,894.50
h.	Preparation of Fee Application:	<u>\$ 8,968.00</u>
	TOTAL	\$256,445.00

9. A description of the principal attorneys and paralegals at S&W who provided services in this matter is included as Exhibit K to the Ehrlich Affidavit. Ehrlich Aff. at ¶4.

10. The Applicant also seeks reimbursement of expenses incurred from April 7, 2000 through February 27, 2001 in the sum of \$17,711.78 as detailed on Exhibit J to the Ehrlich Affidavit.

11. No agreement or understanding exists between or among the Applicant and any other person or persons for sharing of compensation by the Applicant for services rendered in connection with the above-captioned Chapter 11 case, except as it may be shared by and among the partners, counsel and associates of S&W.

SUBSTANTIAL CONTRIBUTION BY S&W AS COUNSEL
TO THE SENIOR NOTEHOLDERS

12. S&W, as counsel to the Senior Noteholders, provided services essential to the reorganization of MRI such that, but for such “substantial contribution” by S&W, a consensual plan would not have been confirmed in the Case; and demonstrably enlarged the return to all MRI creditors. See 11 U.S.C. § 503(b)(3)(D), (4). Section § 503(b) provides, in pertinent part, that –

(b) After notice and a hearing, there shall be allowed administrative expenses, other than claims allowed under section 502(f) of this title, including ...

(3) the actual, necessary expenses, other than compensation and reimbursement specified in paragraph (4) of this subsection, incurred by –

... (D) a creditor, an indenture trustee, an equity security holder, or committee representing creditors or equity security holders other than a committee appointed under section 1102 of this title, in making a substantial contribution in a case under Chapter 9 or 11 of this title; ...

(4) reasonable compensation for professional services rendered by an attorney or an accountant of an entity whose expense is allowable under paragraph (3) of this subsection, based on the time, the nature, the extent, and the value of such services, and the cost of comparable services other than in a case under this title, and reimbursement for actual, necessary expenses incurred by such attorney or accountant...

At all times the Senior Noteholders as a group evaluated the Case and determined a course of action which they believed would lead to the most expeditious resolution of controversies and confirmation of a plan of reorganization that would provide the highest and best distribution to the unsecured creditors holding allowed claims. The Senior Noteholders held direct claims against many of MRI's most valuable subsidiaries. Representatives of the Senior Noteholders negotiated the significant provisions and treatments proposed in the Plan.

13. The Code authorizes compensation to creditors for their attorneys who have made such a substantial contribution to a Chapter 11 proceeding in order to promote meaningful creditor participation in the reorganization process. In re Richton Int'l Corp., 15 B.R. 854, 855 (Bankr. S.D.N.Y. 1981). Courts impliedly reason that a claimant must show that its efforts proximately caused the reorganization to go forward or enhancement of the distribution to other creditors. See In re Alert Holdings, Inc., 157 B.R. 753, 760 (Bankr. S.D.N.Y. 1993) (claimant failed to show that its efforts facilitated, rather than retarded or interrupted, the progress of the case); accord In re Celotex Corp., 227 F.3d 1336, 1339 (11th Cir. 2000) (claimant must show that it contributed directly and materially to debtor's reorganization); In re Best Prods. Co., 173 B.R. 862, 866 (Bankr. S.D.N.Y. 1994) (claimant failed to show that its actions produced tangible benefits to the creditors, debtor or estate and truly fostered and enhanced estate administration).

An applicant must demonstrate that it "directly and materially contributed" to the reorganization, but need not exhibit a "self-deprecating, altruistic intent" to be entitled to reimbursement where it made a "substantial contribution" towards advancing the Chapter 11 proceedings. Celotex Corp., 227 F.3d at 1339, quoting Hall Fin. Group v. DP Partners, Ltd. P'ship (In re DP Partners, Ltd. P'ship), 106 F.3d 667, 673 (5th Cir. 1997); accord Richton Int'l Corp., 15 B.R. at

855 (court recognized substantial contribution even though the services rendered by claimant's counsel throughout the proceedings were for their client).

14. Here, S&W has provided the Court with supporting documentation and an affidavit to show that the work it performed was not part of the routine duties of an unsecured creditor or duplicative of the efforts of Debtor's counsel, but added value to the reorganization. See In re Revere Copper and Brass, Inc., 60 B.R. at 892, 897-98 (Bankr. S.D.N.Y. 1986), quoting In re Penn-Dixie Indus., Inc., 18 B.R. 834, 838 (Bankr. S.D.N.Y. 1982) (indenture trustee made substantial contribution where its role and participation were "vital and highly visible"). Like the claimants in Richton International and MacLean Industries whom bankruptcy courts in the Southern District of New York have found to have made a substantial contribution, S&W took an active role in structuring and negotiating the Plan, see Richton Int'l, 15 B.R. at 855 (counsel actively participated in virtually every aspect of the reorganization process). S&W's efforts helped to effect a consensual resolution of pre-petition litigation which threatened to significantly impede the Debtor's reorganization and in holders of subordinated debt receiving a payout to which they were not entitled by virtue of their junior status in relation to the Senior Noteholders, see In re McLean Indus., Inc., 88 B.R. 36, 37-38 (Bankr. S.D.N.Y. 1988) (claimant's objections to a plan ultimately led to the confirmation of a more favorable plan yielding an additional \$1.15 million to the estate).¹

15. But for the S&W's participation, MRI would not have confirmed a consensual Plan. Cf. In re United States Lines, Inc., 103 B.R. 427, 430 (Bankr. S.D.N.Y. 1989), aff'd, 1991 U.S. District LEXIS 5262 (1991) (substantial contribution may be found where, but for the role

¹ In contrast to this Court's previous ruling in In re Revere Copper and Brass, Inc., 60 B.R. 892 (Bankr. S.D.N.Y. 1986), the work performed by S&W provided a meaningful contribution to the estate and to the advancement of the Debtor's reorganization.

of the claimant, the movement towards reorganization would have been diminished) (internal citation omitted). S&W, while representing the Senior Noteholders, worked with the Debtor to organize a resolution acceptable to the Debtor, the Senior Noteholders and other creditors. This was a case “where an entity was needed to take the reigns and foster cohesiveness out of a disparate class”. Alert Holdings, 157 B.R. at 760. In the absence of an official unsecured creditors committee, everyone involved, including the Debtor, recognized S&W as representing the one unified group of debt of substantial proportions, both in amount and resulting influence. S&W’s efforts fell into several definable areas, including general case administration; settlement of pending litigation and other claims; creditor relations; alterations in the disclosure statement and Plan; and preparation of key organizational documents necessary to the formation of the reorganized debtor.

16. In terms of general case administration, as more fully detailed below, the efforts of S&W and the Senior Noteholders equaled or surpassed the contributions of the claimant in Richton International, described by the court as follows:

Weil aided the securing of intercompany cash advances among the Debtors, facilitated the operation of the Banks as an organized creditors group before the Creditors’ Committee was appointed, and generally oversaw the relatively smooth, cooperative, and productive progress of these cases. Later in these cases, Weil’s efforts to reconcile the Debtors and creditors and to negotiate and consummate the reorganization were instrumental in the promulgation of the Plan of Reorganization ... Throughout the proceedings Weil has represented the Banks. Nonetheless, Weil’s involvement in these cases, its expertise, and the services it has rendered have made a substantial contribution to the successful reorganization of the Debtors.

15 B.R. at 855.

17. The MRI reorganization presents an example of substantial contribution even more striking because, in the absence of an official creditors’ committee, the input of S&W –

backed by the leverage of the Senior Noteholders – led directly to the resolution of outstanding creditor issues. Examples of S&W’s involvement in the Case include:

- Working with the Debtor and Debtor’s counsel in the general administration of the Case and to resolve various disputes: although it may have appeared to the Court that S&W and Debtor’s Counsel were at all times in agreement, this was the result of ongoing attempts by counsel to resolve their differences outside a judicial forum, as counsel realized that the cost and delay resulting from a confrontation would have delayed confirmation;
- Serving as go-between, mediator and/or facilitator of disputes by and among the Debtor and various prepetition litigants making it possible for the Debtor to confirm a Plan that provides for a fresh start free of claims against MRI’s non-debtor subsidiaries, which are the Debtor’s principal assets going forward;
- Providing a single voice unifying virtually all of Class SNC (as defined in the Plan), critical to the confirmation of the Plan and formation of the reorganized Debtor and negotiating the treatment provided to all constituent classes;
- Supplying revisions to the Plan and disclosure statement – notably its insertion of an indemnification provision, together with supporting law – enjoining action against non-debtor subsidiaries that constituted the Debtor’s primary assets insofar as such non-debtor subsidiaries were jointly and severally liable with the Debtor with respect to certain causes of action that accrued prepetition – effectively ensuring the feasibility of reorganization;

- Demonstrably enlarging the return to other creditors by means of substantial financial concessions, without which a plan of reorganization would have been impossible; and
- Drafting many of the key organization documents for the reorganized Debtor and monitoring the events leading to the Effective Date, exceeding expectations for any non-plan proponent.

S&W is entitled to reimbursement of costs and fees for such efforts, without which the Debtor would not have been able to achieve a consensual reorganization.

18. Had S&W not been so actively involved, had each of the fourteen Senior Noteholders engaged counsel, or had an official committee of unsecured creditors been appointed, then the Debtor would have faced far greater expenses and unavoidable delays in the process of effectuating a consensual plan. Moreover, S&W's fees (as documented in the Exhibits) represent a significant discount from the usual and customary rates for counsel in the New York City metropolitan area.

19. S&W has not included in the Application any charges for services duplicative of those provided by the Debtor or Debtor's counsel.

WHEREFORE, the Applicant respectfully requests that the Court grant the Application.

SULLIVAN & WORCESTER LLP

By: _____/s/_____
Gayle P. Ehrlich

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____)	
In re)	Chapter 11 Cases
)	
MEDICAL RESOURCES, INC., <i>et al.</i> ,)	Case No. 00-11446 (PCB)
)	
Debtors.)	Jointly Administered
_____)	

AFFIDAVIT OF GAYLE P. EHRLICH

I, Gayle P. Ehrlich, being duly sworn, hereby depose and say as follows:

1. I am a partner of Sullivan & Worcester LLP, and I submit this affidavit in support of Application by Sullivan & Worcester LLP, Counsel to the Senior Noteholders for Payment of Fees and Reimbursement of Expenses Based on Substantial Contribution Provided (the “Application”). I state the following based upon my personal knowledge.

2. The Senior Noteholders are identified in Exhibit A attached hereto.

3. The statements attached hereto as Exhibits B through J are true and accurate copies of time and expense records maintained by Sullivan & Worcester LLP in the ordinary course of business, and represent work performed in connection with its representation of the Senior Noteholders (as defined in the Application) in the above-captioned Chapter 11 case.

4. A description of the principal attorneys and paralegals at Sullivan & Worcester LLP, who provided services to the Senior Noteholders has been prepared by Sullivan & Worcester LLP and is attached hereto as Exhibit K.

Signed under pains and penalties of perjury this 19th day of March, 2001.

_____/s/
Gayle P. Ehrlich

EXHIBIT A

SENIOR NOTEHOLDERS

The Senior Noteholders include each of the following entities:

1. John Hancock Life Insurance Company;
2. Investors Partner Life Insurance Company;
3. John Hancock Variable Life Insurance Company;
4. Mellon Bank, N.A., Trustee under the Long-Term Investment Trust dated October 1, 1996;
5. Life Investors Insurance Company of America;
6. AUSA Life Insurance Company, Inc.;
7. Hare & Company (nominee of Great American Life Insurance Company), acting through its representative, American Financial Group;
8. SALKELD & Co. (nominee of Great Northern Insurance Annuity Corporation);
9. COVA Financial Services Life Insurance Company;
10. American Bankers Insurance Company of Florida;
11. Hare & Company (originally nominee of Pierce National Life Insurance Company, now nominee of Lincoln National Life Insurance Company), acting through its representative, Liberty Capital;
12. Occidental Life Insurance Company of North Carolina;
13. Peninsular Life Insurance Company; and
14. Executive Risk Indemnity, Inc.

EXHIBIT B

CATEGORY 1

GENERAL MATTERS AND CASE ADMINISTRATION

The services rendered in Category 1 relate to general matters and case administration performed by S&W.

From the outset of MRI's case, S&W performed services with a view to ensuring a *timely* and successful reorganization. Accordingly, S&W attorneys reviewed and become familiar with MRI's business operations, court proceedings and events leading to the filing of its Chapter 11 petition. S&W reviewed pleadings, analyzed the effect of proposed actions upon the Debtor's efforts at reorganization, researched and reported to the Senior Noteholders and consulted with the Debtor and its counsel on relevant issues. When early in the Case a motion was filed for the appointment of a Trustee by certain litigants, S&W opposed the efforts, knowing the potential devastating repercussions of the removal of the debtor-in-possession. Similarly, when challenges were raised to employment of the Debtor's counsel, the Senior Noteholders made a decision to support their continued retention based upon the firm's working knowledge of the Debtor's operations, management and pending litigation. S&W reviewed the Debtor's counsel's fee application and consulted with the Debtor's counsel and representatives of the United States Trustee's Office to agree on a resolution acceptable to all, to propose to the Court.

Throughout the pendency period, S&W monitored and reviewed ongoing administration of the Debtor's estate and effectively put in place certain controls designed to keep the reorganization process moving forward. For example, during the first several months of the Case, counsel required weekly conferences with the Debtor and Debtor's counsel, and provided follow-up agendas and status memoranda to the Senior Noteholders. Additionally, S&W worked with the

Debtor to create an incentive system, or “success bonus”, for executive management of the Debtor effective upon consummation.

In rendering the services in Category 1, the following persons expended the time represented below at the hourly rates indicated for total fees of \$34,137.25. Ehrlich Aff., Exhibit B.

<u>Attorney/Paralegal</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Richard E. Teller	2.00	\$500.00	\$ 1,000.00
Nicole L. Rives	3.00	\$375.00 ²	\$ 1,125.00
	4.75	\$350.00	\$ 1,662.50
Gayle P. Ehrlich	1.90	\$375.00	\$ 712.50
	66.40	\$325.00	\$21,580.00
Barbara D. Gilmore	22.75	\$325.00	\$ 7,393.75
Pamela Smith Holleman	.50	\$220.00	\$ 110.00
Mary F. Hurley	4.10	\$135.00	\$ 553.50

² S&W’s rates were increased effective January 1, 2001.

March 19, 2001

Bill Number: 550313

RE: MRI - General Case Admin

For legal services rendered thru 03/19/2001:

Gayle Ehrlich

04/07/00	Calls with debtors counsel and NLR re: first day; continue to monitor throughout day.	1.50
04/09/00	Finalize review of first day motions; forward comments.	1.00
04/20/00	Call with R. Teller and N. Rives.	0.25
04/26/00	Review pleadings; memo to RT and NR.	1.25
04/27/00	Review pleadings.	0.50
04/28/00	Calls with R. Teller regarding objection to Motion concerning sale; pull documents off system; review pleadings.	1.25
05/01/00	Calls with D. Teller; travel to New York; attend hearing re: proposal sale; travel back.	8.00
05/03/00	Arrange for e-mail notices.	0.50
05/05/00	Review pleadings; check status.	0.50
05/08/00	Check on status.	0.25
05/10/00	Review pleadings; check docket.	0.75
05/10/00	Review motions; check docket and status; meet with Richard Teller; conference call with MRI.	1.75
05/15/00	Check pleadings; call with M. Feldman.	0.25
05/17/00	Check on activity in case.	0.15
05/18/00	Confer with D. Teller; check pleading.	0.50
05/19/00	Review pleading.	0.25
05/30/00	Prepare for next days hearing.	0.80
05/30/00	CCW Matt T.	0.40
05/30/00	Review pleading.	0.40
05/31/00	Travel to NYC; attend hearing; travel back; CCW Steve Z. and Matt.	9.50
06/01/00	CCW Richard and Nichole; participate in CCW Steve.	1.00
06/05/00	Review pleading; check dockets; CCW Mike L. of blackstone.	0.50
06/12/00	Review transcript.	0.25
06/14/00	Confer with B. Gilmore; confer with Wilkie Farr re: employment.	1.50

06/15/00	Consult with B. Gilmore re: employment.	0.50
06/16/00	Consult with Richard Teller.	0.25
07/07/00	Participate in conference call with representatives from MRI.	0.50
07/19/00	Calls with Nichol re: audit; e-mail to Matt and Chris.	0.25
08/14/00	Calls with Debtor's counsel.	1.00
08/14/00	Confer with BDG.	0.50
08/17/00	Deal with the problems arising from Debtor; delay in hearing.	2.00
08/24/00	Call with Andrew G.	0.25
08/31/00	Letter to Matt F.	0.25
09/08/00	Review pleadings.	0.50
09/19/00	Conference calls with debtor re: strategy.	0.75
09/19/00	Review pleadings.	0.75
09/20/00	Review fee application.	0.75
09/20/00	Calls re rescheduling, etc.	0.50
09/27/00	Call with Debtor.	0.50
09/29/00	Review pleadings.	0.50
10/05/00	Monitor case re: review dockets; pleadings; call to debtor.	1.00
10/10/00	Review pleadings.	0.50
10/16/00	Review docket and Payne litigation.	0.15
10/18/00	Review fee application.	1.25
10/18/00	Call with U.S. Trustee.	0.25
10/18/00	Review fee application; call with U.S. Trustee; calls with Wilkie.	1.00
10/19/00	Review pleadings; call with U.S. Trustee.	1.00
10/20/00	Review Objection of Trustee to fees of Wilkie; conference with U.S. Trustee; conference with Willkie; call with Nicole Rives; rproposal.	3.00
10/23/00	Prepare for hearings; call with Chris Joyce re: review status; conference with Debtor's counsel.	2.50
10/25/00	Travel to New York; attend hearings; travel back.	8.00
10/27/00	Review docket.	0.15
11/07/00	Review docket and filings.	0.50
11/07/00	Conference with S. Blewitt, Steve Z. and Nicole Rives.	0.50
11/08/00	Review pleadings; calls with Debtors counsel.	1.00
11/21/00	Review pleadings.	0.25
11/27/00	Review docket.	0.50
11/27/00	Review pleadings.	0.25
11/30/00	Check pleadings.	0.25
12/01/00	Review pleadings, docket.	0.75
12/06/00	Check pleadings.	0.35
12/07/00	Check docket.	0.15
12/20/00	Review pleadings.	0.35
01/03/01	Review pleadings.	0.25

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01/23/01	Check docket.	0.15
02/28/01	Conference with Nicole Rives; check docket.	0.50
03/06/01	Finalize allocation; conference with Pam Holleman.	1.00

Barbara D. Gilmore

06/08/00	Review disinterested cases and claimants' affidavits and opposition.	4.75
06/09/00	Telephone conference GAE re background of case.	0.50
06/14/00	Review Wilkie Farr response to objection re employment.	2.00
06/14/00	Pro hac vice motion and affidavit.	1.00
06/15/00	To New York re hearing on motion re Wilkie Farr employment.	14.50

Richard E. Teller

05/01/00	Review Motion.	1.00
05/09/00	Calls; sale.	1.00

Nicole L. Rives

04/07/00	Review documents; telephone call with RET, GAE and MF.	3.00
04/11/00	Telephone call with Matt Feldman and Richard Teller.	0.50
04/26/00	Schedules.	0.25
04/27/00	Schedules.	1.00
02/27/01	Review of documents; Schedule 13D preparation.	3.00

Pamela Smith Holleman

02/21/01	Review correspondence; meeting Pat Dinardo regarding Gayle Ehrlich correspondence.	0.50
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Mary Hurley

05/04/00	Per GAE's request, track down information and implement Electronic Filing Procedure in the matter of Medical Resource, Inc.; examine general order on EFP, as well as the First and Second Amendments to same; telephone conference with Clerk of SDNY, USBC re password instructions.	1.80
05/05/00	Telephone conference with Clerk, USBC, SDNY regarding procedure re filings re verified statements.	0.30
05/05/00	Retrieve Local Rules of SDNY and forward same to	0.40

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05/08/00 GAE.
Access MRI docket and pull and organize imaged 1.60
documents; plans and disclosure statements; for
R. Teller.

FEEES THIS MATTER: \$34,137.25

COSTS ADVANCED

COSTS THIS MATTER: \$0.00

TOTAL THIS MATTER: \$34,137.25

TOTAL AMOUNT DUE: \$34,137.25

To insure proper credit on our books for your payment, please make the following notation on your remittance check:

Your bill number: 550313

Questions regarding this bill should be directed to Linda Robrish, Manager of Billing and Collections, at (617) 338-2896.

Payment is due within 30 days of receipt.

EXHIBIT C

CATEGORY 2

RESOLUTION OF LITIGATION

The Applicant played a crucial role in monitoring and at times mediating disputes relating to ongoing prepetition litigation against the Debtor so as to achieve a consensual Plan that would provide for the practical resolution of such disputes on a going-forward basis.³ As of the Petition Date, the Debtor's financial structure reflected an acquisition spree typical of business in the mid-through late 1990's whereby acquisitions were done through the roll-up of independent operations into single purpose subsidiaries. The choice faced by companies was to acquire or be acquired. MRI purchased independently-owned centers with a combination of cash, stock, notes and earn-outs. The financial incentives for all participants were the projected savings resulting from consolidation. As a result of the numerous acquisitions, the Debtor was faced with a relatively complicated financial structure and numerous suits resulting from the unmet expectations of the owners of the acquired centers. As of the Petition Date, seven pieces of significant litigation were outstanding against the Debtor.

At the commencement of the case, Debtor's counsel hoped to estimate these claims, rather than initiating adversary proceedings against the litigants. It quickly became apparent, however, that as a practical matter, all of the litigation must be resolved prior to confirmation. Certain of the significant litigants were reluctant to negotiate their disputes with Debtor's counsel because of the history of animosity that had developed on the part of the various litigants towards Debtor's counsel's law firm,

³ The Applicant has refrained from a detailed account of the litigation as the Court is well aware of the identity of and the gravamen of the issues raised by each piece of litigation.

which had represented the Debtor throughout the course of the prepetition litigation. Consequently, it fell to S&W, using the Senior Noteholders' leverage and affirmatively acting as a go-between, to confer with Debtor's counsel, research various issues under Sections §§510(b) and (c) of the Code, meet with the litigants and foster resolution of the outstanding litigation, either through negotiation or by means of motivating the Debtor to take quick action suggested by the Court.

While the Debtor initially contemplated resolving the claims of the litigants under the Plan, in the form of a \$1.5 million cap on such claims, such a limitation proved unrealistic. At the behest of the Court, and with the consent of S&W as the representative of the Senior Noteholders, the Debtor consequently increased the cap to \$4.6 million, whereby the litigants ultimately received an approximately \$4.0 million payout. About half way through the Case, the Debtor urged the Senior Noteholders to waive the litigation cap as a condition to confirmation. After consideration, the Senior Noteholders refused the request because of the complications which would likely arise if the cap were eliminated.

The Class Action Noteholder group had settled a shareholder suit prepetition accepting a cash payout combined with a promissory note subordinate to the rights and claims of the Senior Noteholders. Although legally the Senior Noteholders could have fully enforced their rights of subordination, practically it was clearly necessary to carve-out a distribution in order to achieve a consensual plan. Additionally, S&W's efforts resulted in a payout to the subordinated debt holders to which they were not entitled by virtue of their junior status.

In rendering the services in Category 2, the following persons expended the time represented below at the hourly rates indicated for total fees of \$42,110.25. Ehrlich Aff., Exhibit C.

<u>Attorney/Paralegal</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
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Patrick P. Dinardo	8.80	\$350.00	\$ 3,080.00
Gayle P. Ehrlich	20.15	\$375.00	\$ 7,556.25
	65.40	\$325.00	\$21,255.00
Barbara D. Gilmore	21.50	\$325.00	\$ 6,987.50
Pamela Smith Holleman	.80	\$220.00	\$ 176.00
	11.70	\$185.00	\$ 2,164.50
Ryan D. Bjerke	6.60	\$135.00	\$ 891.00

March 19, 2001

Bill Number: 550117

RE: MRI - Litigation-Settlements

For legal services rendered thru 03/19/2001:

Patrick P. Dinardo

12/13/00	Discussion with G. Ehrlich regarding New York hearing re: Farrell Fields; review motion papers; telephone call to Feldman; telephone call to R.Teller.	2.20
12/14/00	Telephone conference with Feldman; travel to New York for hearing regarding MRI; review papers (reply and subordination papers); attend hearing regarding settlement.	6.50
12/15/00	Discussion with G. Ehrlich regarding hearing.	0.10

Gayle Ehrlich

05/18/00	Confer with P. Holleman regarding subordination assignment.	0.25
06/06/00	CCW Nichole; emails to Matt.	1.00
06/07/00	Review pleading.	0.50
06/09/00	CCW Chris Joyce.	0.75
06/09/00	Review ccw BDG Thursday's meeting.	1.25
06/22/00	Review pleadings.	0.75
06/26/00	Review submission regarding releases and summary judgment agreement.	0.40
06/26/00	Confer with Matt Feldman.	0.40
06/26/00	Confer with Pam Holleman.	0.20
06/26/00	Confer with Pat.	1.00
06/27/00	Call with Pat Coty regarding summary judgment and scheduling order.	0.25
07/10/00	Prepare for next day's hearings.	1.00
07/11/00	Travel to NYC; attend hearing; return travel.	9.00
07/13/00	Conference call with Debtor's counsel and financial advisor re: 510(b) settlements.	0.50
07/18/00	Call with Matt.	0.50
07/21/00	Conference calls re: scheduling and resolution of litigation; review proposed letter to Judge; call with Chris J.	2.00

07/27/00	Call with Debtor's counsel.	0.50
07/28/00	Conference call; confer with BDG.	0.50
08/02/00	E-mail back and forth with BDG re: status.	0.50
08/16/00	Calls with Patrick Cotty.	0.50
08/21/00	Review Debtor's proposed schedule.	0.50
08/21/00	Review Farrell Fields Motion for Relief from Stay.	0.50
08/23/00	Review of objections to claiming Farrell & Fields.	0.75
08/23/00	Call with Chris Joyce.	0.50
08/23/00	Review draft memo Farrell Fields.	0.50
08/23/00	Call with Andrew G.	0.25
08/29/00	Conference call with Debtor.	0.75
08/30/00	Review and comment on memo re: Farrell & Fields.	1.50
08/30/00	Confer with Richard T.	0.25
08/30/00	Confer with Chris Joyce.	0.25
09/20/00	Review memo re Payne litigation.	0.75
09/21/00	Conference with Nicole.	0.25
09/21/00	Meet with Jodi Davis - who represents Ash.	1.00
09/27/00	Review pleadings re: Payne and Farrell.	0.75
09/28/00	Assess.	0.75
10/05/00	Call with counsel for Ash.	0.50
10/06/00	Review litigation pleadings.	0.50
10/10/00	Telephone call with debtor's litigation counsel.	0.50
10/11/00	Travel to New York; attend hearing; travel back.	9.00
10/12/00	Numerous calls re: Payne settlement discussions.	4.00
10/16/00	Calls re: Farrell settlement.	0.25
10/16/00	Evaluate settlement.	0.75
10/16/00	Review docket and Payne litigation.	0.15
10/16/00	Evaluate settlement.	0.50
10/16/00	Calls re: Farrell settlement.	0.75
10/26/00	Call with Nicole Rives; call to Steve; call to Steve B.; review memo from Debtor.	1.50
11/09/00	Call with Matt Feldman.	0.50
11/09/00	Review settlements with Farrel Field and Condra.	1.25
11/10/00	Calls with counsel for Medical.	0.50
11/10/00	Conference call with debtor's counsel.	0.50
11/13/00	Call with Steve B.	0.25
11/16/00	Travel to New York; attend hearing; meet with indemnification claimants; travel back.	8.50
12/11/00	Conference with Patrick Dinardo; attendance.	0.50
12/11/00	Conference with Matt re: Thursday's hearing.	0.25
12/13/00	Call with Pat Dinardo.	0.25
12/13/00	Describe postition to be taken in court.	0.50
12/14/00	Conference with Pat; conference with Nicole, Farrell Field.	0.75
12/18/00	Conference with Nicole - call with Matt Feldman; check document re: Farrell Fields.	0.75

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12/20/00	Call with counsel to Ash.	0.50
12/21/00	Call with Nicole.	0.25
12/21/00	Call with Matt Feldman.	0.35
12/21/00	E-mail to Steve B. regarding settlement with Ash.	0.40
01/03/01	Conference with Chris Joyce as to status.	0.50
01/03/01	Call with Matt Feldman.	0.25
01/04/01	Calls with Matt Feldman.	0.50
01/04/01	Review pleadings.	0.25
01/04/01	Review documents re: Ash.	0.50
01/04/01	Call with Jody Davis re: Ash Settlement.	0.50
01/05/01	Call with counsel for MRI-handling New Rochelle litigation; review correspondence from Joyce and Feldman re: Ash; prepare for conference call; participate in conference call; call with Joyce; e-mail to Nicole re: insurance and Ash; correspondence from Gottesman re: need to file certificate with vote; review opinion re: New Rochelle.	0.15
01/05/01	Review opinion re: New Rochelle.	0.25
01/05/01	Call with Joyce; e-mail to Nicole re: insurance and Ash.	0.25
01/05/01	Call with counsel for MRI-handling New Rochelle litigation.	0.50
01/05/01	Review correspondence from Joyce and Feldman re: Ash.	0.50
01/07/01	Matt re: update.	0.25
01/07/01	Review supplemental motion to approve Farrell-Fields settlement.	0.50
01/08/01	Review conditional objection; prepare papers in support of Farrell-Fields; review filings.	2.00
01/09/01	See to filing.	0.25
01/10/01	Call with Nicole Rives; e-mail Chris Joyce; service of pleading.	1.00
01/11/01	Exchange e-mails with Willkie; conference with Nicole Rives; travel to New York; travel back to Farrell Field hearing.	11.00
01/17/01	Call with Matt Feldman.	0.50
02/15/01	Review settlement Motions.	0.50
Barbara D. Gilmore		
06/23/00	Review and edit Debtor's 510(b) motion.	2.50
07/10/00	Telephone conference P. Cordy and GAE re Joinder Motion and objection to scheduled order.	0.10
07/10/00	Conference with GAE re joinder motion and objection to scheduled order.	0.50
07/11/00	To New York re S.J. hearing.	9.00
07/11/00	Telephone conference with GAE and P. Cordy.	0.25

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07/21/00	Conference call with GAE, M. Feldman.	0.40
07/28/00	Conference call regarding July 31st hearing.	0.50
07/28/00	Meeting with GAE regarding open issues.	1.00
07/31/00	To Bankruptcy Court, SDNY, including travel time.	7.25

Pamela Smith Holleman

05/20/00	Review case law and secondary source materials on equitable subordination.	1.40
05/22/00	Review case law on equitable subordination.	2.20
05/23/00	Research case law on equitable subordination.	0.30
06/05/00	Meeting G. Ehrlich regarding case status and 510(b) issue; research 510(b) issue.	4.00
06/26/00	Review memorandum from B. Gilmore; telephone conference G. Ehrlich; prepare insert for summary judgment memo (Weil, Gotschal); meeting B. Gilmore, G. Ehrlich.	3.80
01/09/01	Telephone conference Gayle Ehrlich; telephone conference Mary Kelly regarding court filing; review pleading; edit motion and clerk's letter.	0.80

Ryan D. Bjerke

07/27/00	Meet with Barbara Gilmore to get factual background and assignment introduction. Begin research into non-issue of stock after stock swap under 510(b).	1.30
07/28/00	Continued research of non-issue of stock after stock-swap under 510(b).	4.30
07/28/00	Send e-mail to Barbara Gilmore regarding 510(b) findings.	1.00

FEES THIS MATTER: \$42,110.25

COSTS ADVANCED

COSTS THIS MATTER: \$0.00

TOTAL THIS MATTER: \$42,110.25

TOTAL AMOUNT DUE: \$42,110.25

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EXHIBIT D

CATEGORY 3

CREDITOR RELATIONS

S&W acted as a single voice unifying the fourteen Senior Noteholders that it represented and serving as an intermediary between general unsecured debt and the Debtor and its counsel. Given the number and magnitude of claims and claimants included within the Senior Noteholder group, S&W's role was of pivotal importance. Had each of the Senior Noteholders hired separate counsel, it is unlikely that all such representatives could have been prevailed upon to accept the concessions made by the Senior Noteholders and ultimately accepted by all the constituent classes. Moreover, S&W often acceded to creditor relations functions customarily performed by an official creditors committee. While the Code contemplates the formation of an official committee to protect the interests of unsecured creditors, as a practical matter disputed claim holders, such as the prepetition litigants in this case, had divergent interest from holders of long-term debt such as the Senior Noteholders. Here, the interests of the Debtor's creditor constituents were so divergent and in certain instances at odds that an official committee that would represent the interests of the Debtor's general unsecured creditors could not be formed. In its absence, S&W provided the central point of contact customarily supplied by a committee. Had S&W not provided a unifying voice for the Senior Noteholders then Debtor's counsel would have been forced to spend substantially more legal resources attempting to achieve a consensual plan. Although not always agreeing, at least the Debtor and its counsel were able to communicate with S&W and negotiate a practical resolution in the interest of moving the Case closer to confirmation.

Approximately six months after the Petition Date certain equity holders petitioned the United States Trustee's Office urging the formation of an equity holders committee. It was ap-

parent to S&W that: (1) an equity holders committee was unwarranted because unsecured creditors were receiving impaired treatment under the Plan; and (2) the formation of an equity holders committee would substantially diminish the Debtor's prospects for a timely reorganization.

S&W with the assistance of the Senior Noteholder's financial advisor provided the United States Trustee's Office with a comprehensive analysis of the applicable law, financial and other pertinent facts to dissuade the United States Trustee's Office from the formation of any equity committee.

Throughout the case, S&W played a key role in coordinating communications by and among the various creditor constituencies and Debtor's counsel. S&W and Debtor's counsel negotiated the Plan by which the Senior Noteholders agreed to substantial financial concessions to ensure that holders of subordinated debt would receive a distribution in the Case. S&W also worked out an agreement with DVI with respect to the makeup of the post-effective date board of directors of the reorganized debtor together with corporate governance issues, in addition to S&W drafting key organization documents as more fully discussed below.

In rendering the services in Category 3, the following persons expended the time represented below at the hourly rates indicated for total fees of \$48,015.50. Ehrlich Aff., Exhibit D.

<u>Attorney/Paralegal</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Richard E. Teller	2.00	\$530.00	\$ 1,060.00
	18.50	\$500.00	\$ 9,250.00
Nicole L. Rives	9.25	\$375.00	\$ 3,468.75
	8.95	\$350.00	\$ 3,132.50
Gayle P. Ehrlich	6.75	\$375.00	\$ 2,531.25
	83.40	\$325.00	\$27,105.00
Barbara D. Gilmore	1.50	\$325.00	\$ 487.50
Pamela Smith Holleman	5.30	\$185.00	\$ 980.50

March 19, 2001

Bill Number: 550112

RE: MRI - Creditor Relationships

For legal services rendered thru 03/19/2001:

Gayle Ehrlich

04/10/00	Call with Matt on status; call to R. Teller regarding report.	0.75
04/11/00	Call with Matt; strategize with Richard and Nicole regarding creditor's committee.	1.00
04/12/00	Calls with Matt, R. Teller and N. Rives; call with A. Kassner, counsel for DVI.	2.50
04/13/00	Continue discussions regarding no creditors committee.	1.25
04/14/00	Calls with DVI, Matt, U.S. Trustee and Richard; general strategy issues etc.	2.00
04/17/00	Calls with R. Teller; travel to NY; attend meeting; travel back.	8.00
04/18/00	Calls with R. Teller.	0.25
04/27/00	Prepare statement.	1.00
05/15/00	Draft status memo.	0.75
05/17/00	Edit status memorandum.	0.60
05/18/00	Finalize status memo.	0.50
05/19/00	Finalize memo forward to Seniors.	0.25
05/22/00	Call with counsel to DVI.	0.25
05/22/00	Email memo.	0.15
05/26/00	Conference calls; consult with R. Teller.	2.00
05/30/00	CCW Andy K.	0.40
06/02/00	Prepare for CC; draft memo; CCW Andy K.	1.75
06/07/00	Draft memo.	1.00
06/08/00	CCW Andy K.; draft memo; CCW Nichole.	2.00
06/09/00	Meet with RET; revise and forward memo.	1.00
06/12/00	CCW Andy K; CCW Steve Z; CCW RET; prepare agenda.	0.75
06/19/00	Call with BDG; conference with Richard T.; begin drafting memo.	2.00
06/22/00	Memo to Seniors.	1.75
06/23/00	Finalize memo to Seniors.	0.25
06/23/00	Conference calls.	0.75
06/30/00	Participate in conference call with seniors.	1.00
07/05/00	Prepare for and participate in conference call	2.00

	with Seniors; draft memo.	
07/14/00	Conference call; confer with Richard T.	1.00
07/17/00	Confer with Nichol R. re: intercreditor; review provision in intercreditor.	0.50
07/20/00	Memo to Seniors.	1.00
07/24/00	Prepare proofs of claim.	1.00
07/26/00	Oversee preparation of proofs of claim.	1.00
07/27/00	Work on proofs of claim.	1.00
07/27/00	Calls with DUI.	0.50
07/28/00	Confer with Richard T.	0.50
07/28/00	Finalize draft proofs of claim.	1.00
07/28/00	Prepare memo to committee.	0.50
08/14/00	Check on proofs of claim, etc.	0.50
08/15/00	Work on proofs of claim; confer with BDG; call to each Senior Noteholder.	2.50
08/16/00	Work on proofs of claim.	0.75
08/16/00	Calls with Seniors.	0.75
08/17/00	Finalize filing of proofs of claim.	3.00
08/23/00	Confer with Nichol.	0.50
08/23/00	Call to counsel for DVI.	0.50
08/23/00	Draft status memo.	1.00
08/24/00	Finalize status memo.	1.75
08/29/00	Call with Richard t.	0.50
08/31/00	Confer with Richard.	0.25
09/13/00	Notice out and prepare for conference call with Seniors; Follow-up conference with Steve and Richard.	2.00
09/21/00	Call with Andy Kassner.	0.50
09/22/00	Call with Steve; review letter re request for equity committee; E-Memo to Nicole and Richard; Conference with Nicole; research.	4.25
09/24/00	Review law equity committee.	1.00
09/25/00	Conference call with Steve Z.; Nicole R. and Matt F. Edit letter re: Equity Committee.	4.00
09/26/00	Call with Nicole Rives.	0.25
09/27/00	Edit letter.	1.15
09/28/00	Conference with counsel for DVI.	0.50
09/28/00	Call with Blackstone re: additions to letter.	0.75
10/02/00	Review cases, etc.	1.00
10/02/00	Revise letter re: equity committee opposition.	0.75
10/02/00	Conference call.	1.00
10/04/00	Revise letter re: equity committee; finalize and send.	2.00
10/05/00	Call with Andy Kassman counsel for DVI.	0.50
10/06/00	Conference with DVI.	0.50
10/10/00	Coference with Nicole.	0.25
10/16/00	Conference with DVI.	0.25
10/16/00	Conference with DVI.	0.50

10/18/00	Meet with counsel for DVI.	0.75
10/27/00	Call to DVI.	0.25
10/31/00	Conference with Nicole Rives; conference call.	1.00
11/03/00	Conference with counsel to DVI.	0.75
11/03/00	Conference call.	0.75
11/10/00	Calls with Steve B.	0.50
11/10/00	Call with Nicole Rives.	0.25
11/17/00	Call with Nicole Rives; call to Steve B.	0.50
11/20/00	Draft memo.	0.50
11/21/00	Review revised memo.	0.25
12/20/00	Call with Steve B.	0.50
12/28/00	Check memo from Joyce regarding class action note holders.	0.35
01/03/01	Draft memo to Seniors.	1.00
01/04/01	Review memo.	0.50
01/05/01	Pepeare for conference call; participate in conference call.	1.00
01/10/01	Call with DVI.	0.25
01/12/01	Memo to Seniors.	1.00
01/16/01	Conference with Nicole Rives; review e-mails; memo to Seniors.	2.00
01/17/01	Review memos.	0.25
01/26/01	Memorandum to clients.	0.75

Barbara D. Gilmore

06/23/00	Conference call with GAE, RT, Matt Feldman and Debtor and client.	1.50
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Richard E. Teller

04/10/00	Calls.	1.00
04/11/00	Calls.	1.00
04/12/00	Calls.	2.50
04/13/00	Calls.	0.50
04/14/00	Calls.	2.00
04/18/00	Calls.	1.00
04/19/00	Calls.	2.00
04/20/00	Calls; review.	1.00
05/24/00	Calls; review.	1.00
05/30/00	Calls.	1.00
06/01/00	Review; calls.	1.00
06/09/00	Calls; review.	1.00
06/14/00	Calls.	1.00
06/19/00	Calls.	1.00
07/05/00	Calls.	0.50
08/25/00	Bankruptcy.	1.00
01/09/01	Review.	1.00

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01/18/01 Review. 1.00

Nicole L. Rives

05/31/00 Correspondence. 0.50

07/24/00 Memorandum to G. Ehrlich. 0.50

09/12/00 Calls with clients. 0.50

10/04/00 Conference call. 1.00

10/19/00 Memorandum; telephone calls; correspondence. 1.00

10/26/00 Conference call. 0.50

10/30/00 Conference call. 1.00

11/16/00 Memo to noteholders. 1.00

11/17/00 Telephone call with G. Ehrlich; telephone call
with S. Blewitt. 0.45

11/21/00 Memo; telephone call; update. 1.50

11/28/00 Correspondence; telephone calls. 1.00

01/03/01 Correspondence with Senior Noteholders. 0.50

01/04/01 Review issues. 0.50

01/04/01 Review issues. 0.50

01/05/01 Conference call responding to Noteholder
questions. 1.50

01/09/01 Calls to Noteholders. 0.50

02/01/01 Correspondence with client; telephone call with
G. Ehrlich re hearing. 1.25

02/06/01 Correspondence with Senior Noteholders. 1.00

02/08/01 Memo to Senior Noteholders re: confirmation
order. 1.75

02/13/01 Telephone call with Senior Noteholders re:
distribution reduction. 1.75

Pamela Smith Holleman

09/22/00 Meeting G. Ehrlich; research equity committee
issue. 4.40

09/25/00 Telephone conference G. Ehrlich regarding case
status; meeting G. Ehrlich; edit letter to U.S.
Trustee. 0.90

FEEES THIS MATTER: \$48,015.50

COSTS ADVANCED

COSTS THIS MATTER: \$0.00

TOTAL THIS MATTER: \$48,015.50

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TOTAL AMOUNT DUE: \$48,015.50

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EXHIBIT E

CATEGORY 4

CLAIMS ANALYSIS AND REVIEW

As a necessary precaution in overseeing the reorganization process, S&W conducted an independent review of all of the claims filed in the Debtor's Chapter 11 Case and the Debtor's claims analysis. The Senior Noteholders required that the Debtor undertake the objection process in order that an evaluation could be finalized as to the post-consummation enterprise value of the Debtor. S&W suggested certain objections and reviewed and commented on those presented by the Debtor. The Senior Noteholders believed that it was important to maintain an independent set of eyes on the objection process in order to assure that all possible objections could be timely processed and the reorganization process completed.

In rendering the services in Category 4, the following persons expended the time represented below at the hourly rates indicated for total fees of \$4,415.50. Ehrlich Aff., Exhibit E.

<u>Attorney/Paralegal</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Gayle P. Ehrlich	10.25	\$325.00	\$ 3,331.25
Pamela Smith Holleman	3.80	\$185.00	\$ 703.00
Nancy Loubier	3.05	\$125.00	\$ 381.25

March 19, 2001

Bill Number: 550121

RE: MRI - Claims Analysis and

For legal services rendered thru 03/19/2001:

Gayle Ehrlich

08/28/00	Review claims; call with Matt F.; review cases re: disallowance of indemnification claims.	2.00
08/31/00	Review proofs of claim; review plan.	1.50
09/11/00	Review claims analysis.	1.00
09/21/00	Review proof of claims.	1.25
09/22/00	Review objections to claims.	0.75
09/28/00	Reconcile claims.	0.75
09/29/00	Review claims objection.	0.50
10/02/00	Review claims.	0.75
10/06/00	Review claim objections.	0.50
10/10/00	Conference with paralegal re: reviewing claims objections.	0.25
11/01/00	Review claim amounts.	1.00

Pamela Smith Holleman

08/28/00	Review G. Ehrlich message; research Section 502(c) issue; research Section 502(e)(1)(B).	2.30
08/29/00	Review case law on Section 502(e)(1)(B).	0.90
08/30/00	Telephone conference G. Ehrlich.	0.20
08/31/00	Meeting G. Ehrlich; locate form of claims objection.	0.20
09/01/00	Meeting G. Ehrlich regarding case status.	0.20

Nancy Loubier

10/10/00	Telephone conference with G. Ehrlich.	0.20
10/11/00	Compare Claims charts for any possible oversight or discrepancy; make notations, memo to G. Ehrlich.	2.85

FEEES THIS MATTER: \$4,415.50

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Bill Number: 550121

COSTS ADVANCED

COSTS THIS MATTER:	\$0.00
TOTAL THIS MATTER:	\$4,415.50
TOTAL AMOUNT DUE:	\$4,415.50

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Questions regarding this bill should be directed to Linda Robrish, Manager of Billing and Collections, at (617) 338-2896.

Payment is due within 30 days of receipt.

EXHIBIT F

CATEGORY 5

REVIEW AND MODIFICATION OF DISCLOSURE STATEMENT

In conjunction with its role in working with the Debtor on structuring and editing the Plan, S&W furnished Debtor's counsel with continuing editorial commentary and composed emendations to numerous revisions to the disclosure statement. While, from a drafting perspective, the document remains essentially the product of Debtor's counsel, S&W's input – solicited and furnished over a nine-month period exceeds customary expectations for any non-plan proposal and is accordingly deserving of reimbursement.

In rendering the services in Category 5, the following persons expended the time represented below at the hourly rates indicated for total fees of \$26,447.25. Ehrlich Aff., Exhibit F.

<u>Attorney/Paralegal</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Ira K. Gross	.25	\$400.00	\$ 100.00
Nicole L. Rives	9.50	\$350.00	\$ 3,325.00
Gayle P. Ehrlich	36.00	\$325.00	\$11,700.00
Barbara D. Gilmore	24.25	\$325.00	\$ 7,881.25
Pamela Smith Holleman	18.60	\$185.00	\$ 3,441.00

March 19, 2001

Bill Number: 550118

RE: MRI - Disclosure Statement

For legal services rendered thru 03/19/2001:

Gayle Ehrlich

05/22/00	Call with Matt Feldman, R. Teller and N. Rives; review disclosure statement.	1.10
05/23/00	Calls with N. Rives; review disclosure statement.	1.00
05/24/00	Review disclosure statement and plan; calls with Matt; calls with Dick.	4.00
05/25/00	Confer with R. Teller; review objections.	1.00
06/23/00	Work on language for disclosure statements.	2.00
06/28/00	Confer with Nicole; work on insert to disclosure statement regarding waiver and release.	1.25
06/29/00	Confer with B. Gilmore; meet with Pam Holleman; edit language for inclusion in disclosure regarding release.	2.00
07/17/00	Travel to NYC; attend hearing; return travel.	8.50
08/16/00	Review disclosure statement and comment.	1.00
08/18/00	Travel to NY; attend hearing; return travel.	9.00
09/11/00	Review disclosure statement.	1.00
11/02/00	Meet with N. Rives re:disclosure Statement.	1.00
11/05/00	Review revised Plan; conference with Nicole Rives.	1.25
11/20/00	Meet with Pam Holleman re: research.	0.25
11/20/00	Conference with Nicole Rives re: board and sale.	0.25
11/21/00	Review law re: securities issues and sales.	0.25
11/21/00	Disclosure issues.	0.50
11/21/00	Conference with Pam Holleman.	0.25
11/22/00	Conference with Pam Holleman re: results of research re: proceeding with sale process pre-conference.	0.40

Barbara D. Gilmore

06/14/00	Disclosure statement.	1.25
06/14/00	Review plan and disclosure statement.	2.00
06/24/00	Review plan.	2.00
07/07/00	Begin review disclosure statement.	4.00

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07/08/00	Complete review of disclosure statement; fax comments to M. Feldman.	4.00
07/12/00	Review new amended disclosure statement.	3.00
07/17/00	To New York for disclosure hearing; pretrials.	8.00

Ira K. Gross

09/28/00	Consult with G. Ehrlich regarding lender liability issue.	0.25
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Nicole L. Rives

05/23/00	Review of Disclosure Statement; call with RET and GE.	1.50
05/30/00	Review; conference call.	1.00
11/01/00	Mark-up Disclosure Statement.	1.00
11/02/00	Mark-up plan.	3.00
11/05/00	Review disclosure statement; comments.	3.00

Pamela Smith Holleman

06/23/00	Draft memorandum of law (for disclosure statement) regarding permanent injunctions against actions against non-debtor parties.	9.50
06/28/00	Review injunctive relief cases; telephone conference G. Ehrlich regarding disclosure statement.	0.90
06/29/00	Research injunctive relief issue; review insert to disclosure statement.	4.00
11/20/00	Telephone conference G. Ehrlich; meeting P. Dinardo regarding solicitation issue.	0.30
11/21/00	Research lender solicitation issue; telephone conferences G. Ehrlich.	1.30
11/22/00	Research solicitation issue; telephone conference G. Ehrlich; telephone conference G. Ehrlich regarding research results.	2.60

FEEES THIS MATTER: \$26,447.25

COSTS ADVANCED

COSTS THIS MATTER: \$0.00

TOTAL THIS MATTER: \$26,447.25

TOTAL AMOUNT DUE: \$26,447.25

March 19, 2001

Page 3
Bill Number: 550118

To insure proper credit on our books for your payment, please make the following notation on your remittance check:

Your bill number: 550118

Questions regarding this bill should be directed to Linda Robrish, Manager of Billing and Collections, at (617) 338-2896.

Payment is due within 30 days of receipt.

EXHIBIT G

CATEGORY 6

STRUCTURING, REVIEW AND MODIFICATION OF PLAN

The Debtor and its representatives and the Senior Noteholders and their representatives worked together prior to the Petition Date to structure the Plan. The Plan was filed on the Petition Date in an effort to streamline the reorganization process by showing all concerned the proposed treatments. The Plan was revised throughout the Case; however, had the basic Plan structure not been negotiated between the Senior Noteholders and the Debtor in order to be presented on the Petition Date, then most certainly the Case would have been more lengthy and contentious than it at times proved. The Senior Noteholders revisited Plan issues throughout the Case in order to provide a quick resolution to the conflicting interests among the constituent groups.

S&W reviewed and edited each round of changes in successive revisions of the Plan as drafted by Debtor's counsel. Realizing at the commencement of the case that MRI could not operate without wholesale restructuring, in terms of a debt for equity swap, S&W – acting as representative of the Senior Noteholders – had considerable leverage throughout the case. However, S&W chose to use such leverage in the best interests of the Debtor and the estate as a whole, rather than simply forcing excessive concessions to the Senior Noteholders.

As drafting progressed, S&W reviewed and consulted extensively with Debtor's counsel concerning specific points of law, including ballot and classification issues under Sections §§1122 and 1129 of the Code. S&W attorneys also reviewed and performed sensitivity analyses to assess the feasibility of earnings projections and distribution schemes contained in successive iterations of the Plan. Finally, S&W's ongoing monitoring and oversight was key to ensuring that there would be no delay in the Plan becoming effective.

In rendering the services in Category 6, the following persons expended the time represented below at the hourly rates indicated for total fees of \$56,456.75. Ehrlich Aff., Exhibit G.

<u>Attorney/Paralegal</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Richard E. Teller	2.00	\$500.00	\$ 1,000.00
Nicole L. Rives	11.75	\$375.00	\$ 4,406.25
	28.15	\$350.00	\$ 9,852.50
Gayle P. Ehrlich	48.65	\$375.00	\$ 18,243.75
	50.65	\$325.00	\$ 16,461.25
Barbara D. Gilmore	14.40	\$325.00	\$ 4,680.00
Pamela Smith Holleman	9.80	\$185.00	\$ 1,813.00

March 19, 2001

Bill Number: 550119

RE: MRI - Plan of Reorganization

For legal services rendered thru 03/19/2001:

Gayle Ehrlich

04/07/00	Review plan.	1.50
06/05/00	CCW Nichole; CCW Matt. F; CCW Matt F and Chris T.	2.00
06/07/00	CCW M. Lahr of Blackstone; CCW Nichole.	1.00
08/16/00	Review plan and comment.	1.00
08/21/00	Confer with Nichol.	0.50
08/22/00	Call with Nichol.	0.25
08/24/00	Confer with Steve Z.	0.50
08/24/00	Confer with Nichol.	0.50
08/25/00	Follow-up with Nichol.	0.50
09/01/00	Review memos from Chris Joyce waiver of claims corp.; review plan and analyze proposal; confer with Richard T.; call with Chris Joyce; arrange conference call.	2.50
09/05/00	Call with Steve Z; prepare for conference call; participate in conference call; follow up with Richard T.; call with Chris J.	3.00
09/06/00	Arrange for follow-up call; calls with Steve Z.; confer with BDG; call with Chris T. and Matt F.; call with Seniors.	3.00
09/07/00	Draft memo to Chris; call with Mike L.; calls with Seniors.	3.00
09/08/00	Finalize memo to Chris.	1.00
09/11/00	Conference with Zelin and Nicole re waiver of claims cap.	1.00
09/12/00	Call with Nicole, Richard and Steve.	1.00
09/14/00	Call with Zelin, Matt and Nicole; Memo to Matt; Conference with Nicole and Zelin.	4.50
09/15/00	Call with Nicole Rives.	0.25
09/20/00	Conference with Nicole.	0.50
09/28/00	Review financial information from accountant.	0.75
10/04/00	Calls with Mike Lahr; prepare for and participate in conference call.	1.50
10/06/00	Review Motion to Extend Exclusivity.	0.25
10/06/00	Conference with Debtor.	0.50

10/18/00	Conference with Nicole Rives.	0.25
10/18/00	Call with Blackstone.	0.50
10/27/00	Memorandum to Chris Joyce and Matt Feldman.	0.35
11/01/00	Review Plan.	1.50
11/01/00	Conference with N. Rives.	0.50
11/02/00	E-mail to same.	0.25
11/02/00	Meet with N. Rives re: Plan.	1.00
11/02/00	Call with Steve B.	0.50
11/03/00	Conference with Nicole Rives.	0.25
11/03/00	Review sensitivity analysis.	0.50
11/03/00	Follow-up with N. Rives.	0.25
11/05/00	Review revised plan; conference with Nicole Rives.	1.25
11/06/00	Edit Plan; Several call with Debtors counsel, Nicole Rives and financial advisors; review numbers.	4.00
11/07/00	Review plan.	0.75
11/09/00	Conference with Nicole Rives.	0.50
11/13/00	Conference with Nicole Rives.	0.25
11/13/00	Conference with Debtor's counsel.	0.50
11/13/00	Review revisions.	0.50
11/15/00	Conferences call with Debtor's counsel.	0.50
11/15/00	Review revisions to plan.	0.75
11/15/00	Conference with Nicole Rives.	0.25
11/15/00	Call with Steve B. and Steve Z.	0.50
11/20/00	Review revised language to Plan and Disclosure Statement.	0.50
11/20/00	Conference with Debtor's counsel.	0.50
11/27/00	Check e-mails re: voting.	0.25
11/28/00	Conference with Nicole re: conference call, balloting, check code.	0.25
11/30/00	Conference with Nicole Rives; conference call with Nicole and Matt Feldman.	0.75
12/06/00	Conference with Nicole Rives re: status etc.	0.40
12/07/00	Conference with Nicole Rives.	0.25
12/20/00	Call with Nicole.	0.15
12/26/00	Review package; plan and voting.	0.50
12/28/00	Call with Andrew G. of Wilkie regarding ballot issues; Review correspondence and respond.	1.00
01/02/01	Conference with Nicole Rives; prepare and mail ballot.	0.75
01/03/01	Call with Nicole Rives.	0.25
01/04/01	Letter to Gottesman.	0.50
01/04/01	Call with Andrew Gottesman - authority to vote.	0.25
01/04/01	Review certificate.	0.15
01/05/01	Correspondence from Gottman re: need to file certificate with vote.	0.25
01/07/01	E-Mail Andy re: ballots.	0.25

March 19, 2001

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Bill Number: 550119

01/17/01	Calls with Nicole.	0.50
01/17/01	Draft release.	0.75
01/18/01	Conference with Nicole Rives; review documents; review confirmation order.	2.50
01/19/01	Call with Matt Feldman; conference with Nicole Rives; review Confirmation Order - comment; review Whynot Affidavit - comment; conference with clients; review documents; call with Willkie Associates re: comments.	3.25
01/22/01	Conference with Nicole Rives; Conference with John L., et. al.; review Whynot Affidavit - comment review objections to Plan; conference with Willkie re: class litigation cap.; review claims re: liquidated indemnification claims.	3.00
01/23/01	Call with Nicole Rives; call with counsel to DVI; review changes to Order, Memo and Affidavits; review Plan.	2.35
01/24/01	Review revised Order; check docket; call with counsel for DVI; confernce with Nicole Rives; call with Matt Feldman; call with counsel for Class action; respond to e-mails.	3.50
01/25/01	Conference with Debtor's counsel; travel to New York City for confirmation; travel back; review pleadings and docket.	9.50
01/26/01	Call with MRI's counsel; conference with Nicole Rives; Review Motion to Amend; call from client.	2.50
01/31/01	Conference with Matt; Conference with Nicole Rives; Telephone conference with Matt; Review plan provisions; Review objection to Plan by CAN.	3.00
02/01/01	Conference call with clients; conference with Nicole Rives; conference with Debtor's counsel; travel to New York City for continued confirmation; hearing.	8.15
02/02/01	Review proposed Order; Conference with Nicole Rives; Review Lazard analysis; Calls with Debtor's counsel; Review correspondence.	2.50
02/05/01	Review correspondence re: order; Review and comment on changes to proofs of claim; conference with Debtors counsel re: Class CAN; Conference with Nicole Rives.	2.50
02/06/01	Review edits to Confirmation Order; call with Nicole Rives.	0.75
02/07/01	Conference re: Effective Date; review pleadings.	1.00
02/12/01	Review correspondence.	0.50
Barbara D. Gilmore		
06/14/00	Review plan.	1.00

06/21/00	Conference call GAE, RT, client; Matt Feldman re plan modifications.	0.75
06/22/00	Edit insert to Plan.	0.50
06/22/00	Review Plan and D. St.	0.25
06/22/00	Telephone conference GAE re P&D Std. P&H re "double receiversy."	0.25
06/23/00	Conference with PSH re release issue.	0.30
06/24/00	Disclosure statement.	2.00
06/26/00	Re-read plan and memo to GAE re comments; conference with PHS re classification issue.	2.50
06/27/00	Telephone conference GAE re July 11 hearing and plan issues.	0.10
06/30/00	Conference call GAE, M. Feldman and clients re status.	0.50
07/05/00	Review Amended Plan and Disclosure Statement.	1.50
07/06/00	Edit plan and telephone conference GAE re same; e-mail M. Feldman re same.	1.50
07/07/00	Conference call.	0.25
07/12/00	Review new amended plan - comment.	3.00
Richard E. Teller		
05/25/00	Drafting.	2.00
Nicole L. Rives		
06/01/00	Telephone call with Gayle; telephone call with S. Zelin.	1.00
06/05/00	Telephone call; review of status; telephone call with Gail.	1.50
06/06/00	Review; telephone call with Gail and C. Joyce.	1.00
06/15/00	Review; Telephone call.	1.00
06/20/00	Amendment.	0.50
08/15/00	Review opinion; telephone call with R. Krapf; review UCC issues.	0.50
08/16/00	Telephone call with B. Gilmore; review notes.	0.75
08/21/00	Telephone call with Gayle; telephone call with Gayle and Richard Teller.	1.00
09/20/00	Telephone call with Gayle and Steve Zelin; telephone call with Blewitt.	1.50
09/29/00	Call with Gail.	0.50
10/02/00	Conference calls.	1.50
11/01/00	Mark-up Plan.	1.00
11/02/00	Mark-up DS.	3.00
11/05/00	Review and comment on plan.	3.00
11/06/00	Review Plan; conference calls; correspondence.	4.00
11/07/00	Conference call re: issues; correspondence.	1.50
11/08/00	Correspondence; issues.	3.00

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11/10/00	Telephone call with G. Ehrlich and Matt.	0.45
11/13/00	Telephone call with Gayle Ehrlich; telephone call with Gayle Ehrlich and Steve.	0.45
11/16/00	Review plan.	1.00
01/19/01	Review; correspondence.	2.00
01/22/01	Review; correspondence.	1.50
01/23/01	Review order; correspondence.	1.50
01/24/01	Review order and affidavit; telephone call with G. Ehrlich.	1.50
01/26/01	Telephone call with G. Ehrlich.	0.75
02/02/01	Telephone call with G. Ehrlich re: order.	0.75
02/05/01	Review of Order; comment; conference calls.	3.75

Pamela Smith Holleman

06/21/00	Meeting G. Ehrlich; research injunctive relief for non-debtors.	0.50
06/22/00	Telephone conference G. Ehrlich; research injunctive relief issue.	8.70
11/03/00	Research issue of convenience classes under 1122(b).	0.60

FEEES THIS MATTER: \$56,456.75

COSTS ADVANCED

COSTS THIS MATTER: \$0.00

TOTAL THIS MATTER: \$56,456.75

TOTAL AMOUNT DUE: \$56,456.75

To insure proper credit on our books for your payment, please make the following notation on your remittance check:

Your bill number: 550119

Questions regarding this bill should be directed to Linda Robrish, Manager of Billing and Collections, at (617) 338-2896.

Payment is due within 30 days of receipt.

EXHIBIT H

CATEGORY 7

**CORPORATE TRANSACTIONAL WORK IN CONNECTION WITH
PLAN CONFIRMATION AND CONSUMMATION**

The Applicant performed numerous tasks essential to Plan confirmation and formation of the reorganized Debtor entity. Specifically, S&W attorneys researched federal securities law requirements and drafted key organization documents including corporate bylaws, corporate charter, shareholders agreement, voting rights agreement, and directors' indemnity agreement. Additionally, S&W attorneys reviewed and commented on stock warrants, the employment agreement for co-Chief Executive Officers of the reorganized Debtor, and its stock option plan.

From the Confirmation Date through the Effective Date, S&W worked with the Debtor to see to a successful consummation. Various issues arose during this period which required monitoring and oversight.

In rendering the services in Category 7, the following persons expended the time represented below at the hourly rates indicated for \$35,894.50. Ehrlich Aff., Exhibit H.

<u>Attorney/Paralegal</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Richard E. Teller	3.50	\$500.00	\$ 1,750.00
Patrick P. Dinardo	.20	\$385.00	\$ 77.00
Nicole L. Rives	39.75	\$375.00	\$14,906.25
	38.95	\$350.00	\$13,632.50
Gayle P. Ehrlich	6.50	\$375.00	\$ 2,437.50
	4.00	\$325.00	\$ 1,300.00
Michael A. Matzka	4.75	\$360.00	\$ 1,710.00
	.25	\$325.00	\$ 81.25

March 19, 2001

Bill Number: 550157

RE: MRI - Corporate Matters in

For legal services rendered thru 03/19/2001:

Patrick P. Dinardo

02/22/01 Telephone conference with N. Rives regarding MRI plan implementation. 0.20

Gayle Ehrlich

06/30/00 Begin work on stockholders agreement. 1.00
07/26/00 Confer with PUF re: Shareholder Agreement. 1.00
07/28/00 Deal with shareholder agreement issues. 0.50
11/21/00 Conference with Nicole Rives re: Board. 0.25
11/29/00 Conference with Nicole Rives; see to various matters. 1.25
01/12/01 Call with Steve B. and Richard T. re: Board; calls with Nicole; call with Steve B.; calls with Willkie; call with Mark Dunn; calls with Mo; memo to Debtors counsel. 2.25
02/08/01 Conference with Nicole Rives; call with John L.; Check closing agenda. 1.25
02/09/01 Conference call with Willkie re: closing; Follow-up call with Nicole Rives; E-mail Chris Joyce. 1.50
02/14/01 Review documents; conference with Nicole Rives. 1.00
02/15/01 Conference with Nicole Rives re: Closing. 0.50

Richard E. Teller

07/14/00 Shareholders Agreement. 2.50
07/17/00 Drafting. 1.00

Michael A. Matzka

05/25/00 RET re registration rights issue re prospective 5% shareholder. 0.25
01/09/01 NLR re Form 15 and effects; copy of old accel req for NLR. 0.50

March 19, 2001

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Bill Number: 550157

02/08/01	NLR re Forms 3 and 13D reqs, group status, etc.	0.50
02/14/01	Prepare securities analysis for NLR.	1.00
02/15/01	Review WFG memorandum; review and mark up NLR memo.	1.25
02/27/01	NLR re 13D, etc.; create spreadsheet re shareholdings and percentages.	1.50

Nicole L. Rives

07/11/00	Review comments on warrants.	1.00
08/24/00	By-laws; Shareholders Agreement.	7.50
08/25/00	Telephone call with Gayle; revise document.	1.00
09/12/00	Charter; by-laws.	1.50
09/13/00	Charter; Shareholders Agreement; drafting; by-laws; calls.	2.50
09/14/00	Drafting; client calls; telephone call with Feldman.	2.00
09/19/00	Review of status.	1.00
09/20/00	Review of Shareholder Agreement.	1.00
09/21/00	Indemnity Agreement; telephone call with S. Zelin; telephone call with DVI counsel; revise shareholder; correspondence.	3.00
09/25/00	Telephone call with company.	1.25
09/26/00	Indemnity Agreement.	1.00
09/27/00	Telephone call with Gail; review documents.	1.00
10/18/00	Shareholders Agreement issues; memo.	1.00
11/01/00	Review and respond to correspondence; Mark up and draft charter, by-laws, Shareholders Agreement review.	2.00
11/03/00	Review; conference calls; review of Warrant and Option Plan; revise agreements.	3.00
11/09/00	Revise Agreement; draft Indemnity Agreement; telephone call with S. Blewitt; telephone call with G. Ehrlich; correspondence.	1.25
11/14/00	Review employment agreement; telephone call with Matt; telephone call with John N.	0.45
11/16/00	Markup shareholders agreement.	0.50
11/29/00	Review; conference call.	2.00
11/30/00	Review; conference call.	1.00
12/01/00	Drafting; telephone call with Gayle.	1.00
12/04/00	Calls; review.	1.00
12/05/00	Document review; drafting.	1.00
12/18/00	Correspondence.	1.00
01/03/01	Revise agreement.	1.00
01/08/01	Correspondence.	1.00
01/09/01	Revisions to agreement.	1.00
01/09/01	Review of Form 15 issues.	0.50
01/09/01	Research re: memo re: D&O liability.	1.00

March 19, 2001

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Bill Number: 550157

01/10/01	Research; correspondence.	1.00
01/11/01	Director issues; telephone call with Noteholders; revise documents; correspondence.	3.00
01/12/01	Director issues; telephone call with Medosch.	1.00
01/16/01	Calls with Noteholders; revise documents; review memoranda - requests.	2.00
01/17/01	Correspondence.	2.00
01/18/01	Review; correspondence.	1.00
01/31/01	Conference with G. Ehrlich; conference call with MM, SB and MD; conference call with MF; conference call with CJ; conference call with SG.	4.50
02/06/01	SEC reporting research; distribution ananalysis; review of Order.	1.25
02/09/01	Conference call re: outstanding issues for closing.	0.75
02/14/01	Review and comment on bonus retention plan, severance letter and board votes; telephone call with C. Joyce; review of share numbers.	3.75
02/15/01	Research SEC reporting obligations; memorandum to Noteholders; correspondence with counsel; review of Wilkie memorandum; comments.	3.00
02/20/01	Consummation issues; review of options; review of employment agreement; correspondence with clients.	2.25
02/21/01	Review of draft employment agreement; correspondence; telephone call with clients; consummation issues.	2.75
02/22/01	Telephone call with clients; review numbers; review drafts; correspondence.	1.25
02/23/01	Telephone call with Gottesman; review of numbers; review of drafts.	1.25
02/25/01	Review of numbers; telephone call with A. Gottesman.	1.00
02/26/01	Handling consummation issues.	3.50
	FEEES THIS MATTER:	\$35,894.50
COSTS ADVANCED		
	COSTS THIS MATTER:	\$0.00
	TOTAL THIS MATTER:	\$35,894.50
	TOTAL AMOUNT DUE:	\$35,894.50

March 19, 2001

Page 4
Bill Number: 550157

To insure proper credit on our books for your payment, please make the following notation on your remittance check:

Your bill number: 550157

Questions regarding this bill should be directed to Linda Robrish, Manager of Billing and Collections, at (617) 338-2896.

Payment is due within 30 days of receipt.

EXHIBIT I

CATEGORY 8

PREPARATION OF FEE APPLICATION

Where fee applications are required, reasonable compensation for preparation of such fee applications is allowable. The Applicant has categorized under the services included in preparation of fee applications, not only the underlying research and analysis concerning theories of compensation for the Applicant, but also the actual review and analysis of tasks performed in connection with preparation of the Application. Notably, S&W fees (as set forth below) represent a significant discount below the usual and customary rates for counsel in the New York City metropolitan area.

In rendering the services in Category 8, the following persons expended the time represented below at the hourly rates indicated for total fees of \$8,968.00. Ehrlich Aff., Exhibit I.

<u>Attorney/Paralegal</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Gayle P. Ehrlich	6.75	\$375.00	\$ 2,531.25
	1.85	\$325.00	\$ 601.25
Pamela Smith Holleman	19.40	\$220.00	\$ 4,268.00
Samual A. Miller	9.50	\$165.00	\$ 1,567.50

March 19, 2001

Bill Number: 550120

RE: MRI - Fee Application

For legal services rendered thru 03/19/2001:

Gayle Ehrlich

12/07/00	Conference with Sam re: research.	0.35
12/08/00	Conference with Sam.	0.25
12/08/00	Check file on substantial contribution.	0.25
12/13/00	Review materials regarding substantial contribution.	1.00
03/02/01	Conference with Pam (.25); Work on allocation (1.00).	1.25
03/05/01	Work on Allocation.	2.00
03/18/01	Reviewed, Edited and Revised Fee Application.	2.00
03/19/01	Reviewed, Edited and Revised and Finalized Fee Application.	1.50

Pamela Smith Holleman

03/02/01	Receive assignment regarding preparation of fee application.	0.30
03/04/01	Review documents.	1.00
03/08/01	Prepare fee application.	1.80
03/14/01	Prepare fee application; review prebill; meeting Gayle Ehrlich.	6.10
03/15/01	Draft fee application and affidavit of counsel.	7.20
03/16/01	Prepare fee application.	3.00

Samuel A. Miller

12/08/00	Research about substantial contribution.	1.00
12/09/00	Researching Substantial Contribution.	4.30
12/11/00	Research about Substantial Contribution.	1.20
12/12/00	Researching substantial contribution under NY law.	3.00

FEEES THIS MATTER: \$8,968.00

March 19, 2001

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Bill Number: 550120

COSTS ADVANCED

COSTS THIS MATTER:	\$0.00
TOTAL THIS MATTER:	\$8,968.00
TOTAL AMOUNT DUE:	\$8,968.00

To insure proper credit on our books for your payment, please make the following notation on your remittance check:

Your bill number: 550120

Questions regarding this bill should be directed to Linda Robrish, Manager of Billing and Collections, at (617) 338-2896.

Payment is due within 30 days of receipt.

EXHIBIT J

DISBURSEMENTS

Disbursements for expenses incurred by S&W in connection with the work described in the Application total \$17,711.78.

March 21, 2001

Bill Number: 550299

RE: MRI Bankruptcy

For legal services rendered thru 03/19/2001:

FEEES THIS MATTER: \$0.00

COSTS ADVANCED

Petty Cash	309.00
Secretarial OT Services	240.00
Miscellaneous Expense	5.87
American Express Misc	324.41
Travel Expense	3,830.46
Filing Fees	25.00
American Express Travel	5,418.40
American Express Meals	122.00
Meals	44.57
Long Distance Telephone	1,527.93
Fees	26.55
Westlaw Expense	2,724.05
Outgoing Fax Expense 04-05-00 to 04-06-00	36.50
Telephone Charges 04-07-00 to 04-13-00	61.89
Outgoing Fax Expense 04-07-00 to 04-10-00	2.00
Telephone Charges 04-14-00 to 04-21-00	134.21
Telephone Charges 04-14-00 to 04-20-00	27.35
Photocopy Charges 04-24-00 to 05-08-00	138.45
Outgoing Fax Expense 04-27-00 to 05-05-00	5.00
Courier Charges 04-25-00 to 04-25-00	5.00
Outgoing Fax Expense 05-11-00 to 05-11-00	4.50
Photocopy Charges 05-05-00 to 05-11-00	4.20
Postage Expense 05-09-00 to 05-09-00	0.33
Photocopy Charges 05-17-00 to 05-18-00	37.50
Telephone Charges 04-22-00 to 05-18-00	12.05
Photocopy Charges 05-19-00 to 05-25-00	30.90
Photocopy Charges 05-22-00 to 05-23-00	12.30
Eastern Connection: EASTERN CONNECTION (05-08-00)	8.19
- To: MR. CARLOS PABON, c-o UNITED STATE BANKRUPTCY COURT, ONE BOWLING GREEN RM 712, NEW YORK, NY 10004. Invoice #550415 EHRlich	

Photocopy Charges 05-30-00 to 05-30-00	49.50
Outgoing Fax Expense 06-05-00 to 06-07-00	12.00
Telephone Charges 05-31-00 to 06-08-00	20.38
Photocopy Charges 06-05-00 to 06-05-00	0.75
Photocopy Charges 06-05-00 to 06-08-00	21.75
Photocopy Charges 06-09-00 to 06-15-00	105.45
Outgoing Fax Expense 06-09-00 to 06-13-00	40.00
Photocopy Charges 06-19-00 to 06-23-00	32.10
Outgoing Fax Expense 06-19-00 to 06-19-00	2.00
Outgoing Fax Expense 06-26-00 to 06-26-00	8.00
Photocopy Charges 06-29-00 to 06-29-00	0.15
Telephone Charges 06-23-00 to 06-29-00	54.30
Outgoing Fax Expense 07-07-00 to 07-10-00	98.00
Telephone Charges 07-07-00 to 07-13-00	49.72
Outgoing Fax Expense 07-11-00 to 07-11-00	28.50
Photocopy Charges 07-10-00 to 07-10-00	26.70
Photocopy Charges 07-11-00 to 07-11-00	10.80
Photocopy Charges 07-20-00 to 07-20-00	0.90
Telephone Charges 07-14-00 to 07-20-00	186.90
Outgoing Fax Expense 07-17-00 to 07-17-00	7.00
FedEx: FEDERAL EXPRESS (06-23-00) - To: GAYLE EHRLICH, 26 BRACKETT RD, NEWTON MA. Invoice #496260487 By: SULLIVAN WORCESTER	21.18
Photocopy Charges 07-21-00 to 07-21-00	0.15
Photocopy Charges 07-26-00 to 07-26-00	8.85
Outgoing Fax Expense 07-26-00 to 07-26-00	9.50
Telephone Charges 07-21-00 to 07-27-00	84.70
Photocopy Charges 07-28-00 to 07-28-00	6.45
Photocopy Charges 08-08-00 to 08-08-00	0.15
: BOSTON CAB (07-11-00) - For: B GILMORE. Ticket #0016581. To: LOGAN	12.25
FedEx: FEDERAL EXPRESS (06-30-00) - To: GAYLE EHRLICH, 26 BRACKETT RD, NEWTON MA. Invoice #496447963 By: SULLIVAN WORCESTER	21.18
Outgoing Fax Expense 08-16-00 to 08-17-00	15.50
Photocopy Charges 08-16-00 to 08-24-00	17.85
Telephone Charges 08-11-00 to 08-24-00	1.21
Outgoing Fax Expense 08-25-00 to 08-28-00	17.50
Photocopy Charges 08-25-00 to 08-29-00	2.25
Outgoing Fax Expense 08-31-00 to 08-31-00	2.00
Outgoing Fax Expense 09-13-00 to 09-13-00	8.50
Photocopy Charges 09-11-00 to 09-14-00	25.80
Eastern Connection: EASTERN CONNECTION (08-18-00) - To: SUSAN E SOLIS, c-o SULLIVAN & WORCESTER LLP, 767 THIRD AVE, NEW YORK, NY 10017. Invoice #566664 GAE	8.35
Photocopy Charges 09-22-00 to 09-27-00	3.15
Outgoing Fax Expense 09-25-00 to 09-27-00	4.50

Telephone Charges 09-22-00 to 09-29-00	12.12
Outgoing Fax Expense 10-02-00 to 10-05-00	19.00
Photocopy Charges 10-02-00 to 10-11-00	6.15
Photocopy Charges 10-19-00 to 10-19-00	0.60
Telephone Charges 10-13-00 to 10-19-00	29.47
Outgoing Fax Expense 10-19-00 to 10-19-00	1.00
FedEx: FEDERAL EXPRESS (09-13-00) - To: THOMAS J, c-o ANDREWS KURTH L L P, 600 TRAVIS, HOUSTON TX. Invoice #498278973 By: SULLIVAN WORCESTER	16.02
Telephone Charges 10-20-00 to 10-30-00	172.04
Postage Expense 11-03-00 to 11-03-00	0.33
Photocopy Charges 10-31-00 to 11-03-00	50.55
Outgoing Fax Expense 10-31-00 to 11-03-00	150.50
Telephone Charges 10-31-00 to 11-06-00	10.46
Photocopy Charges 11-06-00 to 11-09-00	75.00
Outgoing Fax Expense 11-06-00 to 11-08-00	52.50
Photocopy Charges 11-15-00 to 11-20-00	15.75
Outgoing Fax Expense 11-15-00 to 11-20-00	17.50
FedEx: FEDERAL EXPRESS (11-02-00) - To: EARL NESBITT, c-o SETTLEMENT CAPITAL CORP, 15851 DALLAS PARKWAY, ADDISON TX. Invoice #499728967 By: SULLIVAN WORCESTER	16.02
Telephone Charges 11-29-00 to 12-08-00	80.23
Photocopy Charges 12-08-00 to 12-14-00	29.25
Telephone Charges 12-08-00 to 12-15-00	0.80
Outgoing Fax Expense 12-13-00 to 12-13-00	5.50
Telephone Charges 12-22-00 to 12-29-00	9.68
Photocopy Charges 12-27-00 to 12-27-00	92.40
Outgoing Fax Expense 12-26-00 to 12-26-00	1.00
Photocopy Charges 01-02-01 to 01-04-01	87.90
Postage Expense 12-28-00 to 12-28-00	3.20
Telephone Charges 12-29-00 to 01-04-01	28.29
Photocopy Charges 01-05-01 to 01-11-01	36.45
Telephone Charges 01-05-00 to 01-11-01	0.40
Outgoing Fax Expense 01-05-01 to 01-11-01	11.00
Photocopy Charges 01-12-01 to 01-16-01	10.05
Telephone Charges 01-12-01 to 01-18-01	30.62
Outgoing Fax Expense 01-12-01 to 01-12-01	8.50
Outgoing Fax Expense 01-19-01 to 01-24-01	11.00
Photocopy Charges 01-22-01 to 01-25-01	5.85
Telephone Charges 01-19-01 to 01-26-01	56.24
FedEx: FEDERAL EXPRESS (01-04-01) - To: MO MOOERS, c-o GE CAPITAL ASSURANCE CO., 601 UNION STREET, SEATTLE WA. Invoice #501378287 By: SULLIVAN & WORCESTER LLP	16.28
FedEx: FEDERAL EXPRESS (01-04-01) - To: JOANNE SCHUBERT, c-o AMERICAN FINANCIAL GROUP, 1 EAST 4TH STREET, CINCINNATI OH. Invoice #501378287 By:	14.98

SULLIVAN & WORCESTER LLP	
FedEx: FEDERAL EXPRESS (01-04-01) - To: PETE DODD, c-o LIBERTY CAPITAL, 2000 WADE HAMPTON BOULEVARD, GREENVILLE SC. Invoice #501378287 By: SULLIVAN & WORCESTER LLP	14.98
Telephone Charges 01-29-01 to 02-02-01	17.34
FedEx: FEDERAL EXPRESS (01-04-01) - To: MARK DUNN, c-o AEGON USA INVESTMENT MGMT, 4333 EDGEWOOD RD,N.E., CEDAR RAPIDS IA. Invoice #501378287 By: SULLIVAN & WORCESTER LLP	15.44
Eastern Connection: EASTERN CONNECTION (01-02-01) - To: , c-o DONLIN RECANO COMPANY, 419 PARK AVE SOUTH, NEW YORK, NY 10016. Invoice #592098 G EHRlich	8.91
Eastern Connection: EASTERN CONNECTION (01-09-01) - To: UNITED STATES BA, c-o SOUTHERN DISTRICT OF NEW YORK, ONE BOWLING GREEN, NEW YORK, NY 10004. Invoice #594319 PMH	8.91
Eastern Connection: EASTERN CONNECTION (01-04-01) - To: ANDREW R. GOTTES, c-o WILLKIE FARR & GALLAGHER, 787 SEVENTH AVENUE, NEW YORK, NY 10019. Invoice #592098 G. EHRlich	8.35
Eastern Connection: EASTERN CONNECTION (01-04-01) - To: BILL CLARKSON, c-o CHUBB FINANCIAL GROUP, 15 MOUNTAIN VIEW ROAD, WARREN, NJ 07059. Invoice #592098 NLR	8.35
Eastern Connection: EASTERN CONNECTION (01-04-01) - To: JACK SENNOTT, c-o EXECUTIVE RISK INDEMNITY INC., 82 HOPMEADOW ROAD, SIMSBURY, CT 06070. Invoice #592098 NLR	8.35
Eastern Connection: EASTERN CONNECTION (01-04-01) - To: SUSAN ROYLES, c-o CONNING ASSET MANAGEMENT, 185 ASULUM STREET, HARTFORD, CT 06103. Invoice #592098 NLR	8.35
Outgoing Fax Expense 02-06-01 to 02-06-01	2.00
Photocopy Charges 12-27-00 to 02-01-01	60.30
Telephone Charges 02-01-01 to 02-09-01	0.40
FedEx: FEDERAL EXPRESS (01-18-01) - To: MS.BERNADETTE RIST, c-o MELLON BANK,N.A, ONE MELLON BANK CTR, PITTSBURGH PA. Invoice #501713631 By: SULLIVAN & WORCESTER	14.09
Eastern Connection: EASTERN CONNECTION (01-22-01) - To: MATTHEW A. FELDM, c-o WILKIE FARR & GALLAGHER, 787 SEVENTH AVENUE, NEW YORK, NY 10019. Invoice #595793 NLR	19.72
FedEx: FEDERAL EXPRESS (01-11-01) - To: MS. BERNADAETTE RIST, c-o MELLON BANK, N.A., ONE MELLON BANK CENTER, PITTSBURGH PA. Invoice	14.09

March 21, 2001

Page 5
Bill Number: 550299

#501713631 By: SULLIVAN & WORCESTER
MJ'S EXPRESS: MJ's Express: 12-01-00 Empl: RIVES 5.00
Dest: 125 SUMMER ST Tick: 415566
MJ'S EXPRESS: MJ's Express: 01-05-01 Empl: RIVES 8.10
Dest: 200 CLARENDON ST Tick: 416373
Outgoing Fax Expense 02-14-01 to 02-14-01 8.50
Photocopy Charges 02-16-01 to 02-22-01 7.20
Outgoing Fax Expense 02-21-01 to 02-21-01 3.50
Telephone Charges 02-17-01 to 02-23-01 113.94
MJ'S EXPRESS: MJ's Express: 01-23-01 Empl: GERRI 21.25
Dest: 26 BARTLET RD NEWTON Tick: 420137
Postage Expense 02-23-01 to 02-23-01 0.55
Outgoing Fax Expense 02-23-01 to 02-27-01 5.00

COSTS THIS MATTER: \$17,711.78
TOTAL THIS MATTER: \$17,711.78
TOTAL AMOUNT DUE: \$17,711.78

To insure proper credit on our books for your payment, please make the following notation on your remittance check:

Your bill number: 550299

Questions regarding this bill should be directed to Linda Robrish, Manager of Billing and Collections, at (617) 338-2896.

Payment is due within 30 days of receipt.

EXHIBIT K

DESCRIPTION OF ATTORNEYS AND PARALEGALS

MEMBER OF THE FIRM

GAYLE EHRLICH

Sullivan & Worcester LLP, 1987 to Present.

Law Clerk to Hon. Harold Lavien, United States
Bankruptcy Judge, District of Massachusetts, 1985-1987.

Juris Doctor Degree, 1985, Cardozo School of Law.
Bachelor of Arts Degree, 1981, Sarah Lawrence College.

Admitted to Massachusetts Bar, 1985; New York Bar,
1986; Rhode Island Bar, 1986.

Member of the Board of Directors of the Northeast
Chapter of Turnaround Management Association.

BARBARA D. GILMORE

Sullivan & Worcester, 1982 to October 2000.

Juris Doctor Degree, 1982, Boston College. Master of
Science Degree, 1977, Boston College. Bachelor of
Science Degree, 1972, Boston College.

Admitted to Massachusetts Bar, 1982.

Member of the American Association of Nurse
Attorneys and Massachusetts Bar Association.

PATRICK P. DINARDO

Sullivan & Worcester LLP, 1979 to Present.

Juris Doctor Degree, 1982, University of Chicago.
Bachelor of Arts Degree, 1979, Georgetown University.

Admitted to Massachusetts Bar, 1982.

RICHARD E. TELLER

Sullivan & Worcester LLP, 1995 to Present.

Juris Doctor Degree, 1974, Duke University School of
Law. Bachelor of Arts Degree, The Tulane University of
Louisiana, 1971.

Director of the Corporate Design Foundation.

COUNSEL

MICHAEL A. MATZKA

Sullivan & Worcester LLP, 1984 to Present.

Juris Doctor Degree, Boston College, 1984. Bachelor of Science, Massachusetts Institute of Technology, 1976.

NICOLE LACCETTI RIVES

Sullivan & Worcester LLP, 1995 to Present.

Juris Doctor Degree, University of Virginia Law School, 1984. Bachelor of Science, *magna cum laude*, Virginia Polytechnical Institution, 1981.

ASSOCIATE

PAMELA SMITH HOLLEMAN

Sullivan & Worcester LLP, 1998 to Present.

Juris Doctor Degree, *magna cum laude*, Boston College Law School, 1998. Masters of Business Administration, New York University Stern School of Business, 1998. Master of Arts, University of Chicago, 1977. Bachelor of Arts, *magna cum laude*, Rockford College, 1995.

SAMUAL A. MILLER

Sullivan & Worcester, 2000 through Present.

Juris Doctor, *cum laude*, Boston University School of Law, 2000. G. Joseph Tauro Scholar. Bachelor of Arts, with high honors, University of Florida, 1996.