

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re: §
§
METALS USA, INC., et al. § **JOINTLY ADMINISTERED UNDER**
Debtors § **Case No. 01-42530-H4-11**
§ **(Chapter 11)**

AMENDED
THIRD AND FINAL FEE APPLICATION OF BRACEWELL & PATTERSON, L.L.P.,
SPECIAL COUNSEL TO THE DEBTORS, FOR THE PERIOD
AUGUST 1, 2002 THROUGH OCTOBER 31, 2002

A HEARING WILL BE CONDUCTED ON THIS MATTER ON WEDNESDAY, FEBRUARY 19, 2003 AT 1:30 P.M. BEFORE THE HONORABLE WILLIAM R. GREENDYKE, 4th FLOOR, 515 RUSK, HOUSTON, TEXAS. IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY (20) DAYS FROM THE DATE YOU WERE SERVED. YOU MUST GIVE A COPY OF YOUR RESPONSE TO THE PERSON WHO SENT YOU THIS NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

Bracewell & Patterson, L.L.P. ("B&P"), Special Counsel to Metals USA, Inc., *et al.*, Debtors, files this Amended Third and Final Fee Application for the Period August 1, 2002 through October 31, 2002 (the "Final Application"), and states as follows:

Jurisdiction and Venue

1. This Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334 and the Standing Order of Reference of the U.S. Bankruptcy Court for the Southern District of Texas. This is a core proceeding under 28 U.S.C. § 157(b) and venue is proper in this Court under 28 U.S.C. §§ 1408 and 1409.

Factual Background

2. On November 11, 2001, the Debtors filed voluntary petitions under Chapter 11 of Title 11 of the U.S. Code, 11 U.S.C. § 101, *et seq.*, (the "Bankruptcy Code") and designated as Complex Chapter 11 cases. On November 14, 2001, this Court signed an Order jointly administering the Debtors' cases under Case No. 01-42530-H4-11.

3. The Order Confirming Debtors' Amended Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code was entered by this Court on October 18, 2002.

4. On December 11, 2001, this Court entered the Order Granting Debtors' Motion to Establish Procedures for Interim and Final Compensation of Professionals (the "Procedures Order") which establishes procedures for payment of professional fees for services rendered and expenses incurred on a monthly basis, subject to a 20% holdback on professional fees and 10% on expenses. The Procedures Order sets deadlines for filing fee statements and applications for compensation of fees and expenses, identifies the Reviewing Parties for monthly fee statement examination and names Legal Gard as the fee consultant for the U.S. Trustee.

5. On December 11, 2001, this Court entered the Order Authorizing Employment and Retention of Bracewell & Patterson, LLP as Special Counsel for Debtors-In-Possession (doc. #112), a copy of which is attached as Exhibit "A". B&P has been retained to represent the Debtors with respect to securities, corporate finance and environmental matters and was provided with a retainer in the amount of \$67,997.04.

6. On April 26, 2002, B&P filed its First Interim Fee Application of Bracewell & Patterson, LLP as Special Counsel to the Debtors for the Period November 11, 2001 Through March 31, 2002 (the "First Application"), requesting fees for services rendered in the amount of

\$35,792.50 and for expenses incurred of \$561.33. The Order approving the First Application in its entirety was signed on August 6, 2002.

7. On August 26, 2002, B&P filed its Second Interim Fee Application of Bracewell & Patterson, LLP as Special Counsel to the Debtors for the Period April 1, 2002 Through July 31, 2002 (the "Second Application"), requesting fees for services rendered in the amount of \$14,766.50 and for expenses incurred of \$1,802.49. The Order approving the Second Application was signed on November 11, 2002 which allowed for a reduction in fees to the amount of \$10,819.75 and approved its expenses for the entire amount.

8. B&P files this Final Application for allowance of compensation and reimbursement of expenses pursuant to Sections 330 and 331 of the Bankruptcy Code as Special Counsel for the Debtors for the period August 1, 2002 through October 31, 2002 totaling \$110,430.95. This amount is comprised of \$106,322.50 for professional fees and \$4,108.45 for expenses incurred on behalf of the Debtors. Subject to holdback pursuant to the Procedures Order is 20% of the professional fees totaling \$22,086.19 and 10% of the expenses incurred equaling \$410.85.

9. All professional services for which B&P requests compensation and allowance in this Final Application were performed for and on behalf of the Debtors. No agreement or understanding exists between B&P and any other person with respect to the sharing of compensation sought herein except that the compensation approved by the Court will be shared among B&P's partners, associates and personnel as authorized under the Bankruptcy Code.

10. During the Final Application period, B&P expended an aggregate total of 397.10 hours for professional services rendered on behalf of the Debtors, which can be summarized as follows:

<i>Attorney</i>	<i>Hours</i>	<i>Rate</i>	<i>Total</i>
Robin J. Miles	14.00	\$400.00	\$5,600.00
Dewey J. Gonsoulin	2.50	\$365.00	\$912.50
Phyllis Stephenson	0.80	\$350.00	\$280.00
Mark W. Wege	0.20	\$330.00	\$66.00
Mark A. Tidwell	0.60	\$325.00	\$195.00
Heather L. Brown	260.10	\$310.00	\$80,631.00
Timothy A. Wilkins	15.40	\$290.00	\$4,466.00
Catherine G. Henderson	12.30	\$210.00	\$2,583.00
Stephanie S. Rosenberg	4.60	\$185.00	\$851.00
<i>Paralegal</i>	<i>Hours</i>	<i>Rate</i>	<i>Total</i>
Theresa A. Breslin	73.20	\$125.00	\$9,150.00
Bill P. Simonds	9.70	\$120.00	\$1,164.00
Toni M. Silva	3.20	\$120.00	\$384.00
Donald P. Lilly	0.50	\$80.00	\$40.00
<i>Grand Total</i>	<i>397.10</i>	<i>\$106,322.50</i>	

11. During the time covered by this application, B&P did work in five (5) areas: case administration; fee/employment applications; business operations; financing/cash collateral; and real estate.

B110 – Case Administration

<i>Attorney/Paralegal</i>	<i>Hours</i>	<i>Rate</i>	<i>Total</i>
Mark W. Wege	0.20	\$330.00	\$66.00
<i>Task Total</i>	<i>0.20</i>		<i>\$66.00</i>

Brief description of work performed:

The work performed under this category involved financing issues of the case.

B160 - Fee/Employment Applications

<i>Attorney/Paralegal</i>	<i>Hours</i>	<i>Rate</i>	<i>Total</i>
Robin J. Miles	1.30	\$400.00	\$520.00
Stephanie Rosenberg	4.60	\$185.00	\$851.00
Bill P. Simonds	9.70	\$120.00	\$1,164.00
Toni M. Silva	3.20	\$120.00	\$384.00

<i>Task Total</i>	18.80	\$2,991.00
-------------------	--------------	-------------------

Brief description of work performed:

The work performed under this category involved preparation, drafting, filing and hearings related to the fee applications of Bracewell & Patterson, L.L.P. as Special Counsel to the Debtors.

B210 – Business Operations

<i>Attorney/Paralegal</i>	<i>Hours</i>	<i>Rate</i>	<i>Total</i>
Mark A. Tidwell	0.60	\$325.00	\$195.00
<i>Task Total</i>	0.60		\$195.00

Brief description of work performed:

The work performed under this category was related to obtaining a trademark for the Debtors through the U.S. Patent and Trademark Office.

B230 - Financing/Cash Collections

<i>Attorney/Paralegal</i>	<i>Hours</i>	<i>Rate</i>	<i>Total</i>
Robin J. Miles	12.70	\$400.00	\$5,080.00
Dewey J. Gonsoulin	2.50	\$365.00	\$912.50
Phyllis Stephenson	0.80	\$350.00	\$280.00
Heather L. Brown	260.10	\$310.00	\$80,631.00
Catherine G. Henderson	12.30	\$210.00	\$2,583.00
Theresa A. Breslin	73.20	\$125.00	\$9,150.00
Donald P. Lilly	0.50	\$80.00	\$40.00
<i>Task Total</i>	342.50		\$93,376.00

Brief description of work performed:

The work performed under this category involved work related to the negotiation, documentation and closing of the Debtors' exit financing and the developing and maintaining the Debtors' credit facility, including credit and financing agreements, exit financing proposals, commitment letters, legal opinions issued, closings and UCC filings.

B250 - Real Estate

<i>Attorney/Paralegal</i>	<i>Hours</i>	<i>Rate</i>	<i>Total</i>
Timothy A. Wilkins	15.40	\$290.00	\$4,466.00
<i>Task Total</i>	15.40		\$4,466.00

Brief description of work performed:

The work performed under this category involved legal research, analysis and communications regarding the Butler, Indiana facility and limitations on pending environmental issues there, as well as legal analysis, research and communication regarding general and specific environmental real estate concerns regarding the Hazel Park Phase II facility and the facility at Granite City, Illinois.

12. The rates charged by B&P for services rendered by attorneys are the same as the rates charged on similar routine matters, without considering size and degree of responsibility, difficulty, complexity, and results achieved. Accordingly, and based on such rates, the value of the professional services rendered during the Final Application period by B&P for the Debtors totals \$106,322.50. A detailed chronological summary of the services performed is attached hereto as Exhibit "B."

13. Expenses either incurred and/or billed to B&P's account for the Debtors during the Final Application period total \$4,108.45. All of these expenditures represent necessary and reasonable costs incident to the performance of B&P's services to the Debtors and to the estate. B&P made every effort to minimize its expenses in this case. All of these expenses were reasonable, necessary and the same as B&P customarily charges its other clients. The reimbursable expenses are summarized and attached hereto as Exhibit "C".

14. B&P requests this Court to approve compensation in the amount of \$106,322.50 for professional fees and \$4,108.45 for reimbursable expenses, for a total of \$110,430.95 in fees and expenses from the Debtors for the Final Application period.

Johnson Factors

15. Bankruptcy courts have suggested various factors to consider in awarding compensation in a bankruptcy case. *See, e.g., Johnson v. Georgia Highway Express, Inc.*, 874 F.2d 714 (5th Cir. 1974). B&P's fees and expenses requested in this Second Interim Fee Application, are reasonable based on the following considerations, as outlined in *Am. Benefit Life Ins. Co. v. Braddock (In re First Colonial Corp. of Am.)*, 544 F.2d 1291 (5th Cir. 1977).

16. Time and Labor Required. The time spent in assisting, representing and advising the Debtors in certain matters associated with this Chapter 11 case includes 397.10 hours for a total of \$106,322.50.

17. Novelty and Difficulty of Work. This case has not (to date) involved any particularly novel or complex issues. Rather, the issues arising in this case are mostly routine to the types of legal issues for which B&P was retained. Care has been taken to avoid duplication of effort and to employ lawyers and legal assistants whose expertise is of the requisite level to perform the services required.

18. Experience, Reputation and Ability of Attorneys. B&P is reputable, possesses ability adequate to perform the tasks outlined in this Application, and has worked on numerous situations similar to this case. The attorneys who provided the bulk of the services in this case for the time period reflected herein possess specialized skills in the areas necessary to merit the award of the requested fees.

19. Skill Required. Representation of the Debtors in this Chapter 11 case has required a specialized degree of skill and experience. B&P believes it has demonstrated the skills required to achieve results in this case. Additionally, substantial skills have been required in the form of negotiation ability, knowledge of creditors' and debtors' rights, knowledge of real estate and financing, and a detailed and thorough understanding of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure.

20. Preclusion of Other Employment. Because of the time commitment and use of professional resources involved in this case, B&P's ability to take on other engagements has been limited to some degree.

21. Customary Fees. B&P's professional services on behalf of the Debtors were necessary and have directly contributed to the effective administration of these cases. All fees charged for B&P's professional services were reasonable and are the same as the rates charged on similar matters, without considering size, degree of responsibility, difficulty, complexity, and results achieved.

22. Whether the Fees Are Fixed or Contingent. The fees requested in this Second Interim Fee Application have been calculated at normal hourly rates charged by B&P and are in line with those charged for similar work in this jurisdiction. The fees are contingent only in that B&P has no assurance that funds will be available to pay the fees and expenses incurred.

23. Time Limitations and Other Factors. B&P performed certain services on an expedited basis depending on the various deadlines of the Debtors. B&P has not engaged in any duplication of effort by its members in the services it performed.

24. Undesirability of the Case. This factor has no applicability in this case.

25. Results Obtained. The results obtained to date have been beneficial to the Debtors, the estate, the creditors and the Debtors in that B&P, in representing the Debtors, has been able to successfully conclude the tasks it was employed to perform, namely negotiation, documentation and closing of exit financing.

26. Nature, Length and Professional Relationship with Client. B&P has been employed in this case by the Debtors since November 11, 2001. Prior to the bankruptcy case, B&P has represented Metals USA since their inception in 1997.

27. Fees Awarded in Similar Cases. As more fully described above, B&P submits that its services to the Debtors fully warrants the fees requested herein under the twelve (12) factors identified by the Fifth Circuit.

Conclusion

Based on the foregoing, Bracewell & Patterson, L.L.P. requests that this Court allow compensation and reimbursable expenses incurred by B&P for its Amended Third and Final Fee Application for the period August 1, 2002 through October 31, 2002 of \$106,322.50 for professional services provided and \$4,108.45 for expenses incurred as Special Counsel for the Debtors and that the Debtors be authorized to pay B&P the fees and expenses subject to holdback pursuant to the Procedures Order of 20% of the professional fees totaling \$22,086.19 and 10% of the expenses incurred equaling \$410.85.

Respectfully submitted,

Bracewell & Patterson, L.L.P.

/s/William A. (Trey) Wood, III

William A. (Trey) Wood, III
Texas Bar No. 21916050
Stephanie Skasko Rosenberg
Texas Bar No. 24033019
Bracewell & Patterson, L.L.P.
711 Louisiana, Suite 2900
Houston, Texas 77002
(713) 223-2900 Telephone
(713) 221-1212 Facsimile

SPECIAL COUNSEL FOR DEBTORS

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the Amended Third and Final Fee Application of Bracewell & Patterson, L.L.P. as Special Counsel to the Debtors for the Period of August 1, 2002 through October 18, 2002 has been served on the following parties by first class, postage prepaid United States mail, or as otherwise indicated, on December 4, 2002.

/s/ Stephanie S. Rosenberg
Stephanie S. Rosenberg

METALS USA INC
d/b/a Mollie Marie
Acquisition Corp
Three Riverway
Suite 600
Houston, TX 77056

Zack A Clement
Counsel for the Debtors
Fulbright & Jaworski
1301 McKinney Street
Suite 4100
Houston, TX 77010-3095

United States Trustee
Office of the U.S. Trustee
515 Rusk Avenue
Suite 3516
Houston, TX 77002

Henry J. Kaim
Counsel for the Committee
Akin, Gump, Strauss,
Hauer & Feld
711 Louisiana
Suite 1900
Houston, TX 77002

Christopher Adam
Counsel for the
Bondholders' Committee
Akin Gump Strauss
Hauer & Feld, LLP
711 Louisiana Street
Suite 1900
Houston, TX 77002

Legalgard
One Penn Center
1617 JFK Boulevard
Suite 700
Philadelphia, PA 19103
(hard copy and electronic
format of invoices by
overnight delivery service on
November 27, 2002)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re: §
§
METALS USA, INC., et al. § **JOINTLY ADMINISTERED UNDER**
Debtors § **Case No. 01-42530-H4-11**
§ **(Chapter 11)**

SUMMARY OF EXHIBITS

The following Exhibit is referred to in the Third and Final Fee Application of Bracewell & Patterson LLP, Special Counsel for the Debtors, for Fees and Services Rendered and Expenses Incurred for the Period August 1, 2002 Through October 31, 2002.

Description of Exhibit	Summary of Pertinent Parts
Exhibit A	Order Authorizing Employment and Retention of Bracewell & Patterson, LLP, as Special Counsel for Debtors-In-Possession
Exhibit B	Detailed Billing Statement of fees and expenses from August 1, 2002 through October 31, 2002
Exhibit C	Itemized Expenses

A copy of the Exhibits are available by request to:

/s/ Stephanie S. Rosenberg
Stephanie S. Rosenberg