

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:)
) Chapter 11
MONTGOMERY WARD HOLDING CORP.,)
et al.,) Case No. 97-1409 (PJW)
) Jointly Administered
)
Debtors.)

NOTICE OF APPLICATION AND HEARING

PLEASE TAKE NOTICE that on November 21, 2000, the First Annapolis Consulting, Inc., consultants to the Official Committee Of Unsecured Creditors Of Montgomery Ward Holding Corp., et al., filed its first and final application for allowance of interim and final compensation for actual and necessary services rendered in the amount of \$104,910.30 and for reimbursement of all actual, reasonable and necessary expenses incurred in the amount of \$7,741.48 for the period from November, 1997 through August, 1998 (the "Application").

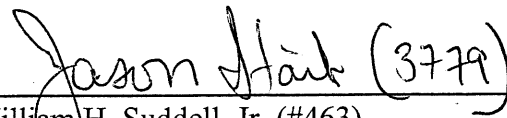
PLEASE TAKE FURTHER NOTICE that any party wishing to oppose the Retention Application must file a written objection with the Clerk of the Bankruptcy Court, 824 Market Street, 5th Floor, Wilmington, Delaware 19801, and serve a copy of the objection on the undersigned attorneys so as to be received on or before 4:00 p.m. prevailing Delaware time on December 29, 2000.

PLEASE TAKE FURTHER NOTICE that the Application is scheduled for a hearing before The Honorable Peter J. Walsh, Chief United States Bankruptcy Judge, at 2:30 p.m. on January 5, 2001 at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, Wilmington, Delaware 19801.

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Dated: November 21, 2000

MORRIS, NICHOLS, ARSHT & TUNNELL



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Attorneys for the Official Committee of
Unsecured Creditors of Montgomery Ward
Holding Corp., et al.

198307

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re : CHAPTER 11
: Case No. 97-1409 (PJW)
MONTGOMERY WARD HOLDING CORP., : Jointly Administered
et al., :
: :
Debtors. :

**FIRST INTERIM AND FINAL APPLICATION OF FIRST ANNAPOLIS
CONSULTING, INC., AS CONSULTANTS TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS OF MONTGOMERY
WARD HOLDING CORP., ET AL., FOR ALLOWANCE OF INTERIM
AND FINAL COMPENSATION FOR ACTUAL AND NECESSARY
SERVICES RENDERED AND FOR REIMBURSEMENT OF ALL
ACTUAL, REASONABLE AND NECESSARY EXPENSES INCURRED
(FOR THE PERIOD NOVEMBER, 1997 THROUGH AUGUST, 1998)**

Name of Applicant: First Annapolis Consulting, Inc.

Authorized to Provide
Professional Services to: Official Committee of Unsecured Creditors

Date of Retention: February 6, 1998 (*nunc pro tunc* to
November 19, 1997)

Period for which Compensation
and reimbursement is sought: November 19, 1997-August 31, 1998

Amount of compensation sought as actual,
reasonable and necessary: \$104,910.30¹

Amount of reimbursement sought as actual,
reasonable and necessary: \$7,741.48

Amount of final compensation sought as
actual, reasonable and necessary: \$104,910.30

Amount of final reimbursement sought as
actual, reasonable and necessary: \$7,741.48

This is an interim and final application

¹ The total time expended for the preparation of this application is approximately 2.0 hours, compensation for which is not being sought herein.

MONTGOMERY WARD HOLDING COMPANY (Case No. 97-1409/PJW)
 Period 11/19/97 through 08/31/98

Professional	Position	Number of Years in that position	Hourly Rate, including changes	No. of Hours	TOTAL
Frederick A. White	Principal	7	\$325	19.5	\$6,337.50
C. Marc Abbey	Principal	7	\$300	99.5	\$32,550.00
Dan Kreis	Principal	10 mos.	\$300	8.5	\$2,550.00
John C. Grund	Principal	3	\$220/\$250	98.5	\$22,382.50
Frank B. Martien	Senior Associate	2	\$200	2.25	\$450.00
Scott C. Calliham	Associate	1	\$185/\$180	196.66	\$35,552.55
Robert F. Lime	Associate	1	\$180	1.5	\$270.00
Jennifer R. Prout	Associate	1	\$160	2.0	\$320.00
David J. Jankiewicz	Analyst	1	\$75/\$70	46.45	\$3,277.75
Kurt J. Shickman	Analyst	1	\$70	10.0	\$700.00
Susan S. Waters	Analyst	1	\$80	6.5	\$520.00
GRAND TOTAL				500.36	\$104,910.30

TOTAL AMOUNT BILLED: **\$104,910.30**
 TOTAL NUMBER OF HOURS: **500.36**
 BLENDED RATE: **\$209.67**

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re : CHAPTER 11
MONTGOMERY WARD HOLDING CORP., : Case No. 97-1409 (PJW)
et al., : Jointly Administered
: :
Debtors. : :

FIRST INTERIM AND FINAL APPLICATION OF FIRST ANNAPOLIS CONSULTING, INC. AS CONSULTANTS TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF MONTGOMERY WARD HOLDING CORP., ET AL. FOR ALLOWANCE OF INTERIM AND FINAL COMPENSATION FOR ACTUAL, NECESSARY SERVICES RENDERED AND FOR REIMBURSEMENT OF ALL ACTUAL, REASONABLE AND NECESSARY EXPENSES INCURRED (FOR THE PERIOD NOVEMBER, 1997 THROUGH AUGUST, 1998)

First Annapolis Consulting, Inc. ("First Annapolis"), as Consultants for the Official Committee Of Unsecured Creditors (the "Committee") of the above captioned cases submits this application (the "First Interim And Final Application") under 11 U.S.C. §§ 330 and 331, Rule 2016 of the Federal Rules Of Bankruptcy Procedure, and Order No. 32 Of The Local Rules Of Bankruptcy Procedure ("Local Order No. 32") for (a) allowance of reasonable compensation for professional services rendered by First Annapolis to the Committee and (b) reimbursement of actual and necessary charges and disbursements incurred by First Annapolis in the rendition of required professional services on behalf of the Committee. In support of this First Interim And Final Application, First Annapolis represents as follows:

1. On July 7, 1997, the above captioned debtors and debtors-in-possession (the "Debtors") filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code.

2. By order dated February 6, 1998, the Court authorized the Official Committee Of Unsecured Creditors appointed in these cases to retain First Annapolis as

consultants to the Committee in these cases, *nunc pro tunc* to November 19, 1997. First Annapolis has acted as consultants for the Committee since November 19, 1997.

3. By order dated July 8, 1997, the Court established a procedure for interim compensation and reimbursement of expenses for all professionals in these cases. In particular, the Court authorized the submission of monthly statements by professionals employed under 11 U.S.C. §§ 327, 328 or 1103 (which includes professionals employed by the Committee) and a procedure by which 80% of the fees requested and 100% of the disbursements requested could be paid by the Debtor.

4. The July 8, 1997, order also required that approximately every four months each professional file with the Court an application for approval and interim allowance of the payments made and amounts withheld during the prior four months. This is First Annapolis' First Interim And Final Application to the Court.

5. First Annapolis submits this First Interim And Final Application (i) for an allowance of reasonable compensation for actual, reasonable and necessary professional services by it as consultant for the Committee in these cases for the period from November 19, 1997, through August 31, 1998 (the "Interim Period"), and (ii) for reimbursement of actual, reasonable and necessary, expenses incurred in representing the Committee during that same period, (iii) for final allowance of reasonable compensation for actual, necessary professional services rendered by First Annapolis as consultant for the Debtors in these cases for the period November 19, 1997 through August 31, 1998 and (iv) for final reimbursement of actual, necessary expenses incurred in representing the Debtors from November 19, 1997, through August 31, 1998. This application is made pursuant to the provisions of Sections 327, 330 and 331 of the Bankruptcy Code,

Bankruptcy Rule 2016, and this Court's order of July 8, 1997, as amended by its order of December 5, 1997.

6. Professional services and expenses for which compensation and reimbursement are sought were rendered and expended on behalf of the Committee pursuant to Chapter 11 of the Bankruptcy Code. First Annapolis believes it is appropriate that it be compensated for the time spent and be reimbursed for the expenses incurred in connection with these matters. 11 U.S.C. § 1103(a).

7. For the period covered by this First Interim and Final Application, November 19, 1997 through August 31, 1998, First Annapolis has provided professional services to the Committee totaling \$104,910.30 and has incurred actual, necessary expenses in connection therewith totaling \$7,741.48. With respect to these amounts, as of the date of this application, First Annapolis has received \$91,669.72.

8. Attached hereto as Exhibit A are monthly summaries of the time expended by the timekeepers billing time to this case during the Interim Period and a brief description of the services provided.

9. Exhibit B contains a breakdown by individual timekeeper for the services provided.

10. Exhibit C contains a breakdown of disbursements incurred by First Annapolis during the Interim Period.

11. First Annapolis is not holding any advance against services and disbursements from the Committee or the Debtors.

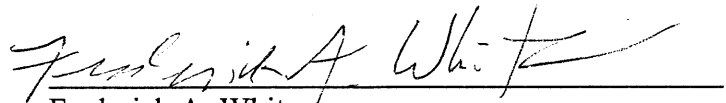
12. No agreement or understanding exists between First Annapolis and any other person for the sharing of compensation received or to be received for services rendered in or in connection with this case.

13. The undersigned has reviewed the requirements of Local Rule #32 and believes this application complies with that Rule.

14. First Annapolis respectfully requests a pardon for the delay in filing this application as the company does not typically participate in reorganizations and it was not made clear by the Official Committee of Unsecured Creditors the process to collect final compensation and expenses.

WHEREFORE, First Annapolis Consulting, Inc. prays that: (i) First Annapolis Consulting, Inc. be allowed interim and final compensation in the amount of \$104,910.30 for actual, necessary professional services rendered to the Debtors during the period November 19, 1997 through August 31, 1998; (ii) First Annapolis Consulting, Inc. be reimbursed in the amount of \$7,741.48 actual, necessary expenses incurred during that period.

First Annapolis Consulting, Inc.



Frederick A. White
900 Elkridge Landing Road
Suite 400
Linthicum, MD 21090
(410) 855-8500
Consultant for the Official
Committee of Unsecured Creditors
of Montgomery Ward Holding
Corp., et al.

November 14, 2000

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re : CHAPTER 11
MONTGOMERY WARD HOLDING CORP., : Case No. 97-1409 (PJW)
et al., : Jointly Administered
Debtors. :

ORDER

AND NOW, this ___ day of _____, 2000, it is hereby ORDERED:

1. That the First Interim And Final Application of First Annapolis Consulting, Inc. as consultant for the Official Committee of Unsecured Creditors of Montgomery Ward Holding Corp., et al. for Allowance of Interim and Final Compensation for Actual, Necessary Services Rendered and for Reimbursement of All Actual, Necessary Expenses Incurred (for the period November 19, 1997 – August 31, 1998) be, and the same hereby is, granted.

2. That there shall be allowed to First Annapolis Consulting, Inc. interim compensation in the amount of \$104,910.30 for actual, necessary services rendered by it on behalf of the Committee and \$7,741.48 for actual, necessary expenses incurred by it in rendering such services.

3. That there SHALL BE ALLOWED AND DISBURSED (to the extent not already disbursed) to First Annapolis Consulting, Inc. by Debtors final compensation in the amount of \$104,910.30 for actual, necessary services rendered to the Debtors for the period

November 19, 1997, through August 31, 1998, final expense reimbursement in the amount of \$7,741.48 for actual, necessary expenses incurred during that period.

United States Bankruptcy Judge

EXHIBIT A

Professional Services:

For services performed August 1, 1998 through August 31, 1998

<u>Professional</u>	<u>Hours</u>	<u>Rate</u>	<u>US\$Amount</u>
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Principals

Frederick A. White	5.00	325.00	1,625.00
C. Marc Abbey	9.00	300.00	2,700.00
John C. Grund	23.75	250.00	5,937.50

Associates

Scott C. Calliham	30.75	185.00	5,688.75
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Analysts

David J. Jankiewicz	5.25	75.00	393.75
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- Received updating from C. Fortgang.
- Discussed analysis with Coopers and Lybrand.
- Drafted conceptual approach memorandum and reviewed with C. Fortgang.
- Constructed financial models.
- Drafted analysis summary regarding the value of the credit card portfolio if GE owns all of the retailer and signature.

Total Professional Services
(August 1 through August 31, 1998)

\$16,345.00

For services performed November 1, 1998 through March 31, 1998

<u>Professional</u>	<u>Hours</u>	<u>Rate</u>	<u>US\$Amount</u>
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Principals

Frederick A. White	14.50	325.00	4,712.50
C. Marc Abbey	99.50	300.00	29,850.00
Dan Kreis	8.50	300.00	2,550.00

Senior Associates

John C. Grund	74.75	220.00	16,445.00
Frank B. Martien	2.25	200.00	450.00

Associates

Scott C. Calliham	165.91	180.00	29,863.80
Robert F. Lime	1.50	180.00	270.00
Jennifer R. Prout	2.00	160.00	320.00

Analysts

David J. Jankiewicz	41.20	70.00	2,884.00
Kurt J. Shickman	10.00	70.00	700.00
Susan S. Waters	6.50	80.00	520.00

- Constructed peer analysis for C.O.F. issue.
- Developed analysis on account and receivable briefing.
- Compared reserving policies to peer.
- Evaluated Monogram interim agreement.
- Analyzed "Retail Solutions" market rate analysis, supporting T. Gawertz litigation strategy.
- Evaluated Wards options for third party private label alternatives and relative hypothetical costs.

Total Professional Services
(November 19, 1997 through March 31, 1998)

\$88,565.30

EXHIBIT B

Exhibit B

Professional	Hours	Rate per Hour	Cost
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Constructed peer analysis for Cost of Funds and Comparison and Valuation.

Grund	16.00	\$ 220.00	\$ 3,520.00
Abbey	21.05	\$ 300.00	\$ 6,315.00
Calliham	31.58	\$ 180.00	\$ 5,684.40
Jankiewicz	19.10	\$ 70.00	\$ 1,337.00
Waters	1.00	\$ 80.00	\$ 80.00
White	0.25	\$ 325.00	\$ 81.25
Martien	2.25	\$ 200.00	\$ 450.00
Shickman	7.00	\$ 70.00	\$ 490.00
	<u>98.23</u>		<u>\$ 17,957.65</u>

Developed analysis and briefing on GE relationship and profitability dynamics.

Grund	3.00	\$ 220.00	\$ 660.00
Abbey	3.25	\$ 300.00	\$ 975.00
Calliham	9.00	\$ 180.00	\$ 1,620.00
Jankiewicz	1.80	\$ 70.00	\$ 126.00
Prout	2.00	\$ 160.00	\$ 320.00
	<u>19.05</u>		<u>\$ 3,701.00</u>

Compared loan loss reserving policies to industry peers.

Grund	7.00	\$ 220.00	\$ 1,540.00
Abbey	1.50	\$ 300.00	\$ 450.00
Calliham	5.50	\$ 180.00	\$ 990.00
Jankiewicz	1.50	\$ 70.00	\$ 105.00
Kreis	8.50	\$ 300.00	\$ 2,550.00
	<u>24.00</u>		<u>\$ 5,635.00</u>

Evaluated and commented on Monogram's interim agreement.

Grund	10.00	\$ 220.00	\$ 2,200.00
Abbey	2.75	\$ 300.00	\$ 825.00
Calliham	9.25	\$ 180.00	\$ 1,665.00
Shickman	3.00	\$ 70.00	\$ 210.00
	<u>25.00</u>		<u>\$ 4,900.00</u>

Exhibit B

Analyzed "Retail Solutions" market rate analysis, supporting T. Gawertz litigation strategy.

Abbey	29.25 \$	300.00 \$	8,775.00
Calliham	36.25 \$	180.00 \$	6,525.00
Jankiewicz	6.25 \$	70.00 \$	437.50
Waters	2.00 \$	80.00 \$	160.00
White	7.00 \$	325.00 \$	2,275.00
	<u>80.75</u>		<u>\$ 18,172.50</u>

Evaluated Wards options for third party private label alternatives estimated costs.

Grund	38.75 \$	220.00 \$	8,525.00
Abbey	41.70 \$	300.00 \$	12,510.00
Calliham	74.33 \$	180.00 \$	13,379.40
Jankiewicz	12.55 \$	70.00 \$	878.50
Waters	3.50 \$	80.00 \$	280.00
White	7.25 \$	325.00 \$	2,356.25
Lime	1.50 \$	180.00 \$	270.00
	<u>179.58</u>		<u>\$ 38,199.15</u>
			\$ 88,565.30

Other

- Received updating from C. Fortgang.
- Discussed analysis with Coopers and Lybrand.
- Drafted conceptual approach memorandum and reviewed with C. Fortgang.
- Drafted summary of analysis regarding the value of the credit card portfolio if GE owns all of the retailer and Signature Group.

Grund	18.25 \$	250.00 \$	4,562.50
Abbey	9.00 \$	300.00 \$	2,700.00
Calliham	16.50 \$	185.00 \$	3,052.50
White	5.00 \$	325.00 \$	1,625.00
	<u>48.75</u>		<u>\$ 11,940.00</u>

Constructed financial models in support of negotiations and evaluation of all options.

Grund	5.50 \$	250.00 \$	1,375.00
Calliham	14.25 \$	185.00 \$	2,636.25
Jankiewicz	5.25 \$	75.00 \$	393.75
	<u>25.00</u>		<u>\$ 4,405.00</u>
			\$ 16,345.00

EXHIBIT C

Travel Expenses:

• Trip by F. White and J. Grund to New York for kick off meeting on November 19, 1997.	\$ 757.60
• Trip by M. Abbey and S. Calliham to New York for meetings on December 3, 1997.	597.00
• Trip by M. Abbey, S. Calliham and D. Kreis to Chicago for diligence sessions on December 8-9, 1997.	3,075.12
• Trip by S. Calliham and J. Grund to Chicago for meeting with Credit Committee on December 16, 1997.	1,131.00
• Trip by M. Abbey to New York for negotiation meeting on December 22, 1997.	369.00
• Trip by M. Abbey to New York for retail deposition on January 9, 1998.	<u>445.00</u>
Total Travel Expenses	<u>\$ 6,374.72</u>

Office Expenses:

• Copies	\$ 383.40
• Federal Express	24.75
• On-line computer research	887.88
• Telephone/Faxes	<u>70.73</u>
Total Office Expenses	<u>\$ 1,366.76</u>
Total Expenses	<u>\$ 7,741.48</u>

CERTIFICATE OF SERVICE

I certify that copies of the foregoing FIRST INTERIM AND FINAL APPLICATION OF FIRST ANNAPOLIS CONSULTING, INC. AS CONSULTANT FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF MONTGOMERY WARD HOLDING CORP., ET AL. FOR ALLOWANCE OF INTERIM COMPENSATION FOR ACTUAL, NECESSARY SERVICES RENDERED AND FOR REIMBURSEMENT OF ALL ACTUAL, NECESSARY EXPENSES INCURRED AND FINAL APPLICATION (FOR THE PERIOD NOVEMBER 19, 1997 THROUGH AUGUST 31, 1998) were served in the manner indicated this 21st day of November 2000 upon the following:

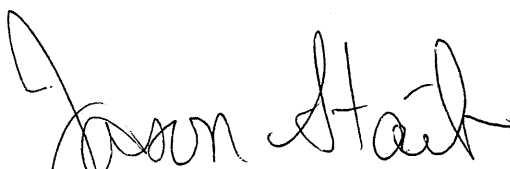
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