

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In Re: Chapter 11
MONTGOMERY WARD HOLDING CORP. et al. Case No. 97-1409 (PJW)
Jointly Administered
Debtors. Hon. Peter J. Walsh

APPLICATION OF PRICEWATERHOUSECOOPERS LLP FOR ORDER (I) ALLOWING
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES FOR THE PERIOD MARCH 1, 1999 THROUGH AUGUST 2, 1999, AND (II)
FINAL ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
AND DISBURSEMENTS FOR THE PERIOD JULY 18, 1997 THROUGH AUGUST 2, 1999,
AND (III) AUTHORIZING PAYMENT OF HOLDBACK FOR THE PERIOD JULY 18,
1997 THROUGH AUGUST 2, 1999

Name of Applicant: PricewaterhouseCoopers LLP

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

Date of Retention: July 18, 1997

Period for which interim compensation
and reimbursement is sought: March 1, 1999 through August 2, 1999

Amount of Interim Compensation
requested: \$ 139,308.50

Amount of Interim Expense Reimbursement
requested: \$ 1,810.25

Period for which Allowance Final Compensation
and Reimbursement is sought: July 18, 1997 through August 2, 1999

Amount of Final Allowance of Compensation
requested¹: \$ 2,745,557.80

¹ Refer to Exhibit F for detail.

5475

Amount of Final Allowance of Expense Reimbursement
requested²: \$117,793.59

Amount of Hold Back
requested³: \$ 525,568.46

This is an interim and final application.

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

<u>Interim</u>	<u>Date Filed:</u>	<u>Period Covered</u>	<u>Requested Fees & Expenses</u>	<u>Approval</u>
First	12/12/97	07/18/97 - 10/31/97	\$464,263.00 and \$ 29,491.85	pending
Second	4/13/98	11/01/97 - 02/28/98	\$985,166.80 and \$ 50,695.08	pending
Third	8/13/98	03/01/98 - 06/30/98	\$500,362.00 and \$ 15,592.11	pending
Fourth	12/13/98	07/01/98 - 10/31/98	\$384,012.50 and \$ 10,177.01	pending
Fifth	4/15/99	11/1/98 - 02/28/99	\$276,111.00 and \$ 10,361.34	pending

² Refer to Exhibit F for detail.

³ Refer to Exhibit F for detail.

Attachment B

Name of Professional	Position	Area of Expertise	Years of Relevant Experience	License (if applicable)	Hourly Billing Rate ¹	Hours	Fees
Ben-Zvi, Philip	Principal	Actuarial and Insurance Management Solutions	35 years	FCAS, MAAA, FCIA	\$690.00	1.1	\$759.00
McKeon, Cathy	Partner	Actuarial and Insurance Management Solutions	25 years	MBA, NY State insurance broker's license	\$660.00	12.5	8,250.00
Baillie, Tandra	Partner	Audit, Insurance	18 years	CPA	\$525.00	11.7	6,142.50
DiNapoli, Dominic	Partner	Reorganization	22 years	CPA, CIRA	\$490.00	4.7	2,303.00
Regan, Kevin	Director	Reorganization	25 years	MBA, JD	\$450.00	44.1	19,845.00
Andrews, Denise	Senior Manager	Reorganization	8 years		\$360.00	30.6	11,016.00
Fischler, Richard	Manager	Real Estate Valuation	14 years	Licensed General Appraiser (NY & NJ), Candidate for MAI designation	\$360.00	15.1	5,436.00
Perez, Joseph	Consultant	Actuarial and Insurance Management Solutions, Insurance Risk Management Solutions	14 years	MBA, ARM	\$320.00	23.0	7,360.00
Duncan, Janet	Senior Manager	Actuarial and Insurance Management Solutions	17 years	FCAS, MAAA	\$270.00	5.2	1,404.00
Dechter, Sandra	Sr. Associate	Reorganization	2 years		\$270.00	63.5	17,145.00
Polli, Jennifer	Sr. Associate	Reorganization	4 years	MBA	\$270.00	172.2	46,494.00
Purcell, Keith	Associate	Real Estate Valuation	2 years		\$185.00	6.0	1,110.00
Kramer, Joshua	Associate	Real Estate Valuation	1 year		\$185.00	8.0	1,480.00
Ryan, Corinne	Analyst	Reorganization	3 years		\$140.00	70.1	9,814.00
Chaves, Adriana	Analyst	Real Estate Valuation	8 years		\$125.00	6.0	750.00
Total						473.8	\$139,308.50
Blended Rate						\$	294.02

¹Billing rates for most professionals increased as of July 1, 1999. However, pre-July 1, 1999 rates were used for the period July 1, 1999 through August 2.

FCIA: Fellow of the Canadian Institution of Actuaries

MAAA: Member of American Academy of Actuaries

FCAS: Fellow of Casualty Actuarial Society

ARM: Associate in Risk Management Designation (ARM)

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

In RE:)	Chapter 11
)	Case No. 97-1409 (PJW)
MONTGOMERY WARD HOLDING CORP. <u>et. al.</u> ,)	Jointly Administered
Debtors.)	
)	
)	
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)	Hon. Peter J. Walsh

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COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES FOR THE PERIOD MARCH 1, 1999 THROUGH AUGUST 2, 1999, AND (II)
FINAL ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
AND DISBURSEMENTS FOR THE PERIOD JULY 18, 1997 THROUGH AUGUST 2, 1999,
AND (III) AUTHORIZING PAYMENT OF HOLDBACK FOR THE PERIOD JULY 18,
1997 THROUGH AUGUST 2, 1999**

PricewaterhouseCoopers LLP, formerly known as Coopers & Lybrand L.L.P. (hereinafter referred to as "PricewaterhouseCoopers", "PwC" or the "Applicant") moves pursuant to Sections 330 and 331 of Title 11 of the United States Code and Bankruptcy Rule 2016 for an Order awarding (i) reasonable interim compensation for professional services rendered as Accountants to the Official Unsecured Creditors' Committee (the "Committee") of Montgomery Ward Holding Corp. et. al., (the "Debtors" or collectively the "Company") in the amount of \$139,308.50 together with reimbursement for actual and necessary expenses in the amount of \$1,810.25 for the period of March 1, 1999 through August 2, 1999 (the "Sixth Fee Period"), (ii) final compensation in the amount of \$2,745,557.80 for professional services rendered by PricewaterhouseCooperes to the Unsecured Creditors' Committee during the period July 18, 1997, through August 2, 1999; (iv) PwC be allowed final reimbursement of necessary and reasonable out-of-pocket expenses in the amount of \$117,793.59 incurred during that period; and (v) payment of holdback in the amount of \$525,568.46.

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

1. On July 7, 1997 (the "Petition Date"), the Debtors filed a voluntary petition for relief pursuant to Chapter 11 of the United States Bankruptcy Code (the "Code"). Since that date, the Debtors have continued in possession of its business and property as debtor-in-possession in accordance with sections 1107(a) and 1108 of the Code.

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

3. On November 21, 1997 this Court entered an order (the "Retention Order") authorizing the employment of the Applicant as accountants to the Committee effective as of July 18, 1997.

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

- advise and assist the Committee in its examination, analysis and monitoring of the Debtors' financial affairs, including without limitation, monthly operating reports, schedules of assets and liabilities and statements of financial affairs, analyses of cash receipts and disbursements, analyses of cash flow forecasts, analyses of various asset and liability accounts, analyses of any unusual transactions between the Debtor and any other entities, and analyses of proposed restructuring transactions;
- advise and assist the Committee in developing and negotiating any plan of reorganization scenarios including, as necessary, certain information to be included in the disclosure statement;
- advise and assist the Committee in preparing or reviewing business plans and financial projections;
- advise and assist the Committee regarding various reorganization tax issues, including calculating net operating loss carryforwards and the tax consequences of any proposed plans of reorganization;
- attend Committee meetings and court hearings as may be required in our role as accountants to the Committee;
- render expert testimony and litigation support services, as requested from time to time by the Committee and its counsel, regarding the feasibility of a plan of reorganization and other matters;
- advise and assist the Committee in identifying or reviewing debtor-in-possession financing;
- advise and assist the Committee in reviewing an employee retention plan (if necessary);
- advise and assist the Committee in identifying and/or reviewing preference payments or other voidable transactions and unenforceable claims;
- advise and assist the Committee in reviewing sales of assets or business units;

- assist with such other accounting and financial advisory services as may be requested by the Committee and its counsel;

5. At the Petition Date, the Applicant had approximately \$10,000 remaining from a retainer received prepetition for work performed prepetition. PricewaterhouseCoopers will apply this remaining amount to the fees approved by this Court, pursuant to this Final Fee Application.

6. This Application is made by PricewaterhouseCoopers in accordance with Local Rule #32 dated December 12, 1996, the Guidelines adopted by the Executive Office for the United States Trustees, and the Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated July 8, 1997. Pursuant to this application, PwC has attached the following exhibits:

- a. Exhibit A - A copy of the Retention Order authorizing employment of the Applicant;
- b. Exhibit B - A summary schedule showing the professionals who performed the services, the number of hours spent, the respective professional's billing rate, and the total fees for such service;
- c. Exhibit C - Summary by project code, summary of professional fees and itemized time records, in chronological order, of each specific service for which an award of compensation is sought. The itemized record includes: (1) the date each service was rendered, (2) the professional(s) who performed the service, (3) a description of the services rendered, and (4) the time spent performing the service in increments of tenths of an hour for the period March 1, 1999 through August 2, 1999.
- d. Exhibit D - Expense Summary and Expense Detail Reports which itemize total expenses for which reimbursement is sought. All expenses for which reimbursement is sought is disclosed in detail by individual. PwC is seeking reimbursement for expenses at actual costs. To the best of PwC's knowledge, there were no discounts to third-party providers of goods or services, nor were there any enhancements. It should be noted that all flights billed to the Estate were for the lowest coach fares available, in compliance with the guidelines set forth in the Local Rules.

It should be also noted that PricewaterhouseCoopers has eliminated the reimbursement request for certain out-of-pocket expenses when it would not be possible to assemble the billing details for reimbursement under the Guidelines. These out-of-pocket expenses typically include telephone charges for calls placed in its offices, postage costs including federal express charges and copying and facsimile charges incurred at the Applicant's offices in connection with this case. These out-of-pocket costs are real costs that have been incurred by PwC and have benefited the estate;

- e. Exhibit E - Brief biographical summaries of senior members of the engagement team who have spent a considerable amount of time on the case;
- f. Exhibit F- A summary schedule of payments received as of the date of this Application and total compensation and reimbursement of expenses for which final allowance is requested, and the calculation of the holdback requested; and,
- g. Exhibit G- Affidavit of Dominic DiNapoli in accordance with Federal Bankruptcy rule 2106.

7. The Applicant submits this Sixth Application for interim allowance of \$139,308.50 for professional services and reimbursement of \$1,810.25 for necessary expenses incurred on behalf of the Committee during the period from March 1, 1999 through and including August 2, 1999. Pursuant to the provisions of the Procedural Order Regarding Fees, the Applicant has requested monthly interim payments for the months of March 1999, April 1999, May 1999 and June 1999. The Applicant billed the Debtors \$37,215.00 for fees and \$1,976.65 for expenses for the month March 1999. Applicant has billed the Debtors \$66,278.00 for fees and \$0.00 for expenses for the month of April 1999. Applicant has billed the Debtors \$25,629.00 for fees and \$0.00 for expenses for the month of May 1999. Applicant has billed the Debtors \$10,564.00 fees and \$0.00 for expenses for the month of June 1999. Applicant has billed \$3,663.00 for fees and \$0.00 for expenses for the period July 1, 1999 through August 2, 1999.

In connection with Sixth Fee Period, PwC has reviewed its billings of fees and expenses during the period March 1, 1999, through August 2, 1999 and is requesting \$4,040.50¹ less in fees and expenses than the amounts previously billed to the Debtors in Monthly Statements for this period. Reductions in professional fees relate to work performed by professionals which PwC believes may be construed to be duplicative or too administrative in nature.

8. As to the Final Application, for the period July 18, 1997, through August 2, 1999, PricewaterhouseCoopers requests (i) allowance for compensation totaling \$2,745,557.80 and reimbursement for expenses totaling \$117,793.59 for the period July 18, 1997 through August 2, 1999, and (ii) payment of holdback in the amount of \$525,568.46. With respect to these amounts, PwC has received \$2,324,852.53 as of the date of this Application.

¹ The net reduction is 55.5 hours totaling \$4,040.50. Refer to Exhibit B for more detail.

9. PricewaterhouseCoopers, in monthly statements to the Debtor, billed a total of 529.3 hours during this Sixth Fee Period. However for purposes of the Sixth Fee Period, PricewaterhouseCoopers has voluntarily excluded 55.5 hours² of time expended. This reduction is described above in Paragraph 7. The following table summarizes the total hours and professional fees charged by task description for the Sixth Fee Period :

<u>Code</u>	<u>Project Code</u>	<u>Hours</u>	<u>Fees</u>
B110	Case Administration	14.8	\$4,377.50
B150	Meetings of and Communications with Creditors	16.0	6,270.00
B160	Fee/Employment Applications and Monthly Statements	63.5	10,684.00
B170	Fee/Employment Objections	67.7	16,689.00
B195	Travel Time (Billed at 50%)	6.5	2,340.00
B210	Business Operations	19.0	6,012.00
B250	Real Estate Analysis and Review	31.8	8,160.50
B310	Claims Administration and Objections	<u>254.5</u>	<u>84,775.50</u>
		<u>473.8</u>	<u>\$139,308.50</u>

SUMMARY OF SERVICES BY CODE AND DISCUSSION
OF NECESSITY AND BENEFIT TO THE ESTATE.

10. The services rendered by PricewaterhouseCoopers during this Sixth Fee Period can be grouped into the main categories as summarized in the previous chart and are described in greater detail below. The professionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category, are detailed in Exhibit C.

Case Administration (B110) - This category includes a number of different tasks, all of which were necessary during this Bankruptcy case. These tasks included, but were not limited to,

² The net reduction is 55.5 hours totaling \$4,040.50. Refer to Exhibit B for more detail.

preparing workplans, preparing workpaper documents (the creation of workpaper files is standard protocol that PwC performs), organizing documents, and preparing various reports for distribution. PwC makes every effort for administrative work to be performed by personnel at lower billing rates.

Meetings and Communications with Unsecured Creditors' Committee (B150) -

PricewaterhouseCoopers spent a total of 16 hours preparing for and participating in meetings or teleconferences with the Committee, individual members of the Committee and/or Counsel for the Committee. PricewaterhouseCoopers provided the Committee with substantive written and oral analyses related to the Debtors' financial performance and claims reconciliation process. The Committee decided to hold bi-monthly conference calls to discuss, among other things, the Plan of Reorganization and the claims reconciliation process. These conference calls are all included under this code (B150). The Applicant participated in the conference calls with the Committee or Bank Group on March 2, 1999, March 15, 1999, March 29, 1999, April 12, 1999, April 26, 1999, May 10, 1999, May 24, 1999, June 7, 1999, June 28, 1999, and July 12, 1999. PwC believes that these conference calls were necessary and relevant to complete the work being performed.

Non-working Travel (B195) - Certain travel time has been incurred in performing services on behalf of the Committee. PricewaterhouseCoopers has only charged 50% of travel time to the Debtor in accordance with guidelines established.

Fee / Employment Applications (B160) - This category includes time expended in preparing the monthly statements in accordance with the requirements of this Court, and in preparing Interim Fee Applications to the Court for allowance of compensation for professional fees and reimbursement of expenses.

Fee / Employment Objections (B170) - On February 24, 1999, Stuart, Maue, Mitchell & James, Ltd. issued a detailed Review and Analysis (the "First Report") of the Fourth Interim Fee

Application submitted by PricewaterhouseCoopers LLP, covering the period July 1, 1998 through October 31, 1998. On May 13, 1999, Stuart, Maue, Mitchell, & James, Ltd. issued a detailed Review and Analysis (the "Second Report") of the Fifth Interim Fee Application submitted by PricewaterhouseCoopers LLP, covering the period November 1, 1998 through February 28, 1999. The Applicant spent considerable time during this Sixth Fee Period preparing a response to both the First Report and Second Report.

Business Operations (B210) - The following paragraphs provide a more detailed description of the types of activities classified under, "Business Operations (B210)."

Company financial results, plans and historical books and records - PricewaterhouseCoopers reviewed the financial results of the Company on a weekly and monthly basis, and provided observations and analysis to the Committee. These updates included, but were not limited to, the analysis of daily sales, weekly and monthly operating performance as compared to the prior year and plan, and the evaluation of inventory levels.

Preparation of Company benchmarking and peer analysis - In order to measure the Debtor's financial performance in various areas, the Applicant spent time compiling and evaluating similar information from certain of its competitors.

Real Estate (B250) - As part of PwC's analysis and review of the claims reconciliation process, PwC performed a desktop valuation of certain properties rejected by the Debtor in order to determine if any market value existed.

Claims Administration (B310) - Based on the Committee's acceptance of GE's settlement proposal, the Committee requested PwC to become involved in overseeing the claims reconciliation process, especially as it relates to unsecured claims. Therefore, the majority of the work performed during the Sixth Fee Period related to monitoring and reporting on the claims reconciliation process. The major classifications of claims that were examined are as follows:

General Claims: PwC reviewed and revised the reporting format used by the Debtor to update the Committee on claims. PwC monitored the total unsecured claim estimate and reserve periodically and investigated significant variances when necessary. A general claims update report discussing all groups of unsecured claims was prepared by PwC and sent to the Committee on March 29, 1999.

Accounts Payable: It was deemed necessary by the Committee and its Counsel that PwC conduct a detailed review of 29 trade accounts payable claims (i.e., claims greater than \$5 million and/or with disputed amounts greater than \$2 million) in order to verify the validity of each claim and establish the current status of the resolution of any disputes. On 5/10/99, PwC issued a report summarizing its findings to the Committee.

Executory Contracts: PwC communicated with the Debtors' representatives to understand the claims reconciliation process for executory contract claims and the methodology for determining the claims estimate. On both May 25, 1999 and June 17, 1999, PwC prepared a summary status report of executory claims to Counsel for the Committee.

Intercompany Claims: At the direction of the Committee and/or its Counsel, it was requested that PwC perform a review of the intercompany claim asserted by Maringo, a non-Debtor subsidiary of Wards. PwC conducted a review of, but not limited to, the following: historical financial statements related contracts and actuarial opinions. Periodically, PwC communicated status updates and findings to the Committee's Counsel. On May 19, 1999, PwC professionals met with Counsel for the Committee to deliver a comprehensive review of this subsidiary thus equipping Counsel with the appropriate level of understanding to assess the legal validity of this claim.

Claims Related Meetings and Conference Calls with Debtors or Debtors' Advisors - There was one face-to-face meeting with the Debtor regarding their claims reconciliation process that took place at the Debtors' Chicago offices on March 24, 1999. Aside from this meeting, PricewaterhouseCoopers participated in numerous teleconferences with members of the Debtors' management, often in conjunction with Counsel for the Committee, to discuss claims issues or to request additional information/status updates. Based on information obtained from the Debtor during these in person or telephonic conferences, PwC issued several reports and status updates regarding various parts of the claims process.

Preparation of memoranda and reports to the Committee - A substantial amount of time was spent preparing informative correspondence and various financial reports for the Committee.

Bank Group, and Counsel to the Committee. Reports and memoranda addressed pertinent and timely issues including, but not limited to, the claims reconciliation process (classified under Claims Administration/Objection (B310)), financial and operational performance, inventory control, industry analysis, evaluation of financial projections, updates on systems projects (classified under Business Operations (B210)).

11. Such services were reasonable and necessary in order for PricewaterhouseCoopers to discharge its duties and obligations to the Committee and this Court. Applying the Applicant's usual and customary billing rates for the types of services performed to the time spent as generally accepted by the firm's clients, PricewaterhouseCoopers is seeking allowance of professional fees of \$139,308.50 for the period from March 1, 1999 through August 2, 1999. The Applicant adjusts its billing rates every year on July 1. However, for purposes of this Fee Application, the Applicant has used the lower pre-July 1, 1999 billing rates for the period July 1, 1999 through August 2, 1999.

12. In rendering these services, PricewaterhouseCoopers made every effort to maximize the benefit to the Estate and to work with other professionals employed in the case to avoid duplication of effort. The amount of services rendered by PricewaterhouseCoopers to achieve the results obtained for the benefit of the estate was reasonable in light of the complexity of the issues involved in this case. PricewaterhouseCoopers judiciously allocated responsibilities to minimize possible duplication of efforts. Compensation is sought for participation by more than one professional during one particular activity only in instances where joint participation was necessary because of the significant impact of a particular meeting, the complexity of the problem involved, the specialization required or the need to preserve a continuity of representation. It is often necessary for more than one professional to attend a meeting to facilitate communication of information rather than to relay the information from individual to individual. It should be further noted that there were never more than three PwC professionals at any one meeting. For most of the instances, there were only two PwC professionals in attendance. More importantly, in no instance

were there two PwC professionals with the same level of expertise at the same meeting.

PwC made every effort to staff the engagement with professionals who were assigned long-term to the engagement. In certain instances, however, it was necessary and appropriate to use professionals in specific geographical areas or with expertise in specific areas. By exercising good judgement, PwC professionals minimized billings by conferring with such specialists only when needed, thus allowing the engagement to proceed in the most cost efficient manner.

The following explanations describe the work performed by professionals outside of the core engagement team.

At the direction of the Committee and/or its Counsel, it was requested that PwC perform a review of the financial history of Marince, a non-Debtor subsidiary of Wards. For this complex assignment, the core engagement team sought the assistance of professionals in the Actuarial and Insurance Management Solutions ("AIMS") group (Cathy McKeon, Philip Ben-Zvi, Janet Duncan, and Joseph Perez) as well as a partner in the PwC Audit practice (Tambra Baillie) specializing in insurance to assist them in this assignment.

At the direction of the Committee and/or its Counsel, it was requested that PwC perform a review of the Real Property unsecured claims. The core engagement team sought the specialty of the PwC Real Estate Advisory practice for assistance with this assignment. This assignment was performed under the direction of Richard Fischler, a Manager in the Real Estate Advisory practice, and his staff (Keith Purcell, Joshua Kramer, and Adriana Chaves).

At the direction of the Committee and/or its Counsel, it was requested that PwC perform a detailed review of the largest trade accounts payable claims. In order to perform this assignment, a PwC professional(s) would have to be on site to review the meet with certain of the Debtors' representatives and review work papers with respect to these claims. In order to minimize costs, the core engagement team was able to staff this assignment with two professionals from the Chicago practice, Denise Andrews, a Senior Manager, and Sandra Dechter, a Senior Associate.

PwC made every attempt to minimize the billings to the Debtor for intra-office conferences. Due to the nature of this case, intra-office conferences were critical: 1) to manage the process; 2) to

monitor and ensure timely completion of work product; 3) to avoid duplication of effort; and 4) to unravel complexities of the case. Furthermore, PwC leverages its professionals so that the junior staff (e.g., Associates and Senior Associates) does the bulk of analysis and preparation of work product. This is the most efficient and economical way to delegate work, even though it does require significant direction from senior professionals (e.g., Partner or Director).

The majority of these intra-office conferences were less than one hour in length. Several work sessions lasting longer than an hour were necessary on projects where it was more efficient to work in a small group of two or three professionals, due to the complexity of the issues involved. Other intra-office conferences related to brief status meetings prior to meetings with the Committee or with the Debtor, in order to synthesize work that had been done to date by certain individuals.

13. Attached hereto as Exhibit E are brief biographical summaries on senior members of the engagement team who have spent considerable time on the case. Dominic DiNapoli and Kevin Regan have been the advisors of the Applicant primarily responsible for the financial advisory representation to the Committee. Whenever possible, other PwC professionals have assisted Mr. DiNapoli and Mr. Regan in this case to avoid increasing expenses to the Estate.

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

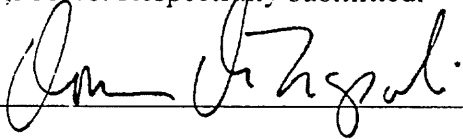
15. PricewaterhouseCoopers asserts that compensation requested above is reasonable compensation for the actual and necessary services rendered based upon the time, nature and value of such services. PwC further asserts that the cost of services rendered for and on behalf of the Debtors is comparable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

16. In accordance with the Administrative Order, Pursuant to Sections 105 and 331 of

the Bankruptcy Code, Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals (the "Administrative Order"), PricewaterhouseCoopers has submitted to the Debtor, monthly statements requesting compensation for each month during the Fifth Fee Period. The Administrative Order states that the Debtor shall promptly pay 80% of the fees and 100% of the disbursements requested in these statements. At the date of this Application, the Debtor has made a payment for 80% of the fees and 100% of disbursements for the month of March 1999 (\$31,748.65), April 1999 (\$53,022.00), May 1999 (\$20,503.20), and June 1999 (\$8,451.20). The Debtor has not yet made a payment for 80% of fees and 100% of expenses for the period July 1, 1999, through August 2, 1999.

THEREFORE, PricewaterhouseCoopers LLP respectfully requests that the Court enter an Order granting (i) interim allowance of compensation for professional services rendered by PricewaterhouseCoopers to the Unsecured Creditors' Committee during the period March 1, 1999 through August 2, 1999 in the amount of \$139,308.50; (ii) reimbursement of necessary and reasonable out-of-pocket expenses in the amount of \$1,810.25 for that period; (iii) final allowance for compensation in the amount of \$2,745,557.80 for professional services rendered by PricewaterhouseCoopers to the Committee during the period July 18, 1997 through August 2, 1999; (iv) final allowance of reimbursement of necessary and reasonable out-of-pocket expenses in the amount of \$117,793.59 incurred during that period; and (v) payment of holdback in the amount of \$525,568.46. Respectfully submitted.

By: _____



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