

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

IN RE: :
 : **Jointly Administered**
Montgomery Ward Holding Corp., :
a Delaware corporation, et al., : **Case No. 97-1409 (PJW)**
 :
Debtors. : **Chapter 11**

**SIXTH INTERIM AND FINAL VERIFIED APPLICATION OF
 RICHARDS, LAYTON & FINGER, P.A.
 FOR COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES**

Name of Applicant: Richards, Layton & Finger, P.A.

Authorized to Provide Professional Services to: Montgomery Ward Holding Corp., et al.

Date of Retention: July 8, 1997

Period for which compensation and reimbursement is sought: July 8, 1997 thru August 2, 1999

Amount of Compensation sought as actual, reasonable, and necessary: \$888,730.40¹

Amount of Expense Reimbursement sought as actual, reasonable, and necessary: \$777,615.43

This is a: interim final application

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

Date Filed	Period Covered	Requested Fees, Expenses	Approved Fees, Expense
11/25/97	07/08/97 - 10/31/97	\$243,826.50/\$200,656.04	Pending
4/13/98	11/01/97 - 02/28/98	\$152,864.00/\$106,884.44	Pending
08/14/98	03/01/98 - 06/30/98	\$132,714.60/\$165,261.73	Pending
12/10/98	07/01/98 - 10/31/98	\$110,725.50/\$81,841.65	Pending
04/13/99	11/01/98 - 02/28/99	\$74,320.20/\$49,481.51	Pending
10/01/99	03/01/99 - 08/02/99	\$174,279.20/\$173,490.06	Pending

\$888,730 \$777,615.43

¹RL&F also has requested the allowance of \$20,160.00 in (a) estimated fees and expenses incurred after August 2, 1999 in preparing this Application and with respect to related fee matters and (b) estimated expenses incurred prior to August 2, 1999, but not yet billed due to delays in the applicable billing cycle for such expenses. Once the actual fees and expenses incurred by RL&F for these matters are determined, the payment of the estimated fees and expenses will be reconciled pursuant to the procedures described in the application.

ELM

**SUMMARY OF RL&F FEES INCURRED
MARCH 1, 1999 THROUGH AUGUST 2, 1999
(SIXTH INTERIM ONLY)**

DIRECTORS:

Name of Professional	Year Assumed Position	Hourly Billing Rate	Total Hours Billed	Total Compensation
Thomas L. Ambro	Joined firm as an associate in 1976, became director in 1982. Member Del. Bar since 1976.	\$ 350	34.50	\$ 12,075.00
James G. Leyden	Joined firm as an associate in 1987, became director in 1997. Member of the Del. Bar since 1988.	\$ 275	.40	\$ 110.00
William J. Haubert	Joined firm as an associate in 1992, became a director in 1999. Member of the Del. Bar since 1992.	\$ 240	.20	\$ 48.00

**SUMMARY OF RL&F FEES INCURRED
MARCH 1, 1999 THROUGH AUGUST 2, 1999
(SIXTH INTERIM ONLY)**

ASSOCIATES:

Name of Professional	Year Assumed Position	Hourly Billing Rate	Total Hours Billed	Total Compensation
Daniel J. DeFranceschi	Joined firm as an associate in 1990. Member Del. Bar since 1989.	\$ 208	470.90	\$ 97,947.20

David W. Carickhoff, Jr.	Joined firm as an associate in 1998. Member Del., Pa. and NJ Bars since 1998.	\$ 137	4.30	\$ 589.10
Deirdre M. Richards	Joined firm as an associate in 1998. Member Pa. Bar since 1989.	\$ 178	4.30	\$ 765.40
Paul N. Heath	Joined firm as associate in 1999. Member Del. Bar since 1998.	\$ 137	2.20	\$ 301.40

PARAPROFESSIONALS:

Name of Professional	Position and Year Assumed Position	Hourly Billing Rate	Total Hours Billed	Total Compensation
Brenda B. Collins	Paralegal, 1997	\$ 88	7.10	\$ 624.80
Lana M. Stein	Paralegal, 1998	\$ 83	54.10	\$ 4,490.30
Keith D. Warren	Paralegal, 1999	\$ 83	.90	\$ 74.70
William Pusey	Paralegal, 1998	\$ 83	1.40	\$ 116.20
Maricarol Miller	Paralegal, 1998	\$ 83	461.00	\$ 38,263.00
Joanne E. Sullivan	Paralegal, 1995	\$ 83	6.10	\$ 506.30
Judy Hearn	Paralegal, 1999	\$ 83	2.90	\$ 240.70
Laura B. Ahtes	Paralegal, 1999	\$ 83	14.80	\$ 1,228.40
Patricia A. Lemoine	Case Management Assistant, 1999	\$ 46	187.50	\$ 8,625.00
	Paralegal, 1999	\$ 83	51.30	\$ 4,257.90
Kimya M. Spencer	Case Management Assistant, 1997	\$ 46	85.80	\$ 3,946.80
Jared Schierbaum	Case Management Assistant, 1999	\$ 46	1.50	\$ 69.00

TOTALS:

PROFESSIONALS	TOTAL HOURS BILLED	TOTAL COMPENSATION
Director	35.10	\$ 12,233.00
Associates	481.70	99,603.10
Paraprofessionals	874.40	62,443.10
TOTAL	1,391.20	\$ 174,279.20
BLENDDED RATE	125.28	

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

IN RE:	:	
	:	Jointly Administered
Montgomery Ward Holding Corp.,	:	
a Delaware corporation, <u>et al.</u>,	:	Case No. 97-1409 (PJW)
	:	
Debtors.	:	Chapter 11

SIXTH INTERIM AND FINAL VERIFIED APPLICATION
OF RICHARDS, LAYTON & FINGER, P.A.
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES

Pursuant to sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code") and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the law firm of Richards, Layton & Finger, P.A. (hereinafter "RL&F") hereby requests that the Court enter an order awarding it reasonable compensation with respect to the estates of Montgomery Ward Holding Corp. et al. (jointly and severally, the "Debtors") for professional legal services rendered to the Debtors (i) in the amount of \$174,279.20, together with reimbursement for actual and necessary expenses incurred in the amount of \$173,490.06, for the interim period from March 1, 1999 through and including August 2, 1999 (the "Sixth Compensation Period"); (ii) final allowance of compensation of \$888,730.40 and reimbursement of related expenses of \$777,615.43 for the period from July 8, 1997 through August 2, 1999 (the "Combined Compensation Period")²;

²The Combined Compensation Period includes the Sixth Compensation Period together with the following interim compensation periods for which RL&F has previously filed interim fee applications in this case (collectively, the "Prior Compensation Periods"): (a) July 8, 1997 through October 31, 1997 (the "First Compensation Period"), (b) November 1, 1997 through February 28, 1998 (the "Second Compensation Periods"), (c) March 1, 1998 through June 30, 1998 (the "Third Compensation Period"), (d) July 1, 1998 through October 31, 1998 (the "Fourth Compensation Period") and (e) November 1, 1998 through February 28, 1999 (the "Fifth Compensation Period").

and (iii) final allowance of \$20,160.00 in (A) estimated fees and expenses incurred after the conclusion of the Combined Compensation Period for the preparation for this Application and related fee matters and (B) estimated expenses RL&F incurred during the Combined Compensation Period but not yet billed due to delays in the applicable billing cycle for such expenses (collectively the "Estimated Fees and Expenses"). In support of this Application, RL&F respectfully represents as follows.

BACKGROUND

1. On July 7, 1997 (the "Petition Date"), the Debtors commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Pursuant to an order entered on the Petition Date, the Debtors' chapter 11 cases were consolidated for procedural purposes and have been administered jointly.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § § 157 and 1334 and Article XI of the Debtors' Joint Plan of Reorganization (the "Plan"). This is a core proceeding pursuant to 28 U.S.C. § § 157(b)(2).

3. On July 15, 1999, the Court entered an order (the "Confirmation Order") confirming the Plan. Upon the completion of the various transactions contemplated by the Plan, the Plan became effective in accordance with its terms and the Debtors emerged from chapter 11 on August 2, 1999 (the "Effective Date").

4. Pursuant to an Order entered by this Court on July 8, 1997 (Docket No. 10) (the "Retention Order"), RL&F was employed under a general retainer to serve as counsel to the Debtors in connection with their Chapter 11 cases. The Retention Order authorized RL&F to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses it incurred. At all relevant times, RL&F believes that it has been a disinterested person as that term is defined

in section 101(14) of the Bankruptcy Code and has not represented or held an interest adverse to the interest of the Debtors.

5. All services for which compensation is required by RL&F were performed for or on behalf of the Debtors and not on behalf of any committee, creditor or other person.

6. RL&F charged for its services in these cases in accordance with its ordinary and customary hourly rates in effect on the dates that services were rendered.

7. Except to the extent of the retainer paid to RL&F as described in the application seeking approval of RL&F's employment by the Debtors and the interim payments made by the Debtors pursuant to the Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedure For Interim Compensation And Reimbursement of Expenses For Professionals entered by this Court on July 8, 1997 (the "Interim Compensation Order"), during the period covered by this Application, RL&F has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these cases. There is no agreement or understanding between RL&F and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these cases.

8. On November 25, 1997, RL&F filed its first interim fee application (the "First Fee Application") (Docket No. 1320) requesting approval of fees in the amount of \$243,826.50 and reimbursement of expenses in the amount of \$200,656.04 for the period July 8, 1997 through October 31, 1997. The First Fee Application is pending before the Court. On April 13, 1998, RL&F filed its second interim fee application (the "Second Fee Application") (Docket No. 2053) requesting approval of fees in the amount of \$152,864.00 and reimbursement of expenses in the amount of \$106,884.44 for the period November 1, 1997 through February 28, 1998. The Second Fee Application is pending before the Court. On August 14, 1998, RL&F filed its third interim fee

application (the "Third Fee Application") (Docket No.2915) requesting approval of fees in the amount of \$132,714.60 and reimbursement of expenses in the amount of \$165,261.73 for the period March 1, 1998 through June 30, 1998. The Third Fee Application is pending before the Court. On December 10, 1998, RL&F filed its fourth interim fee application (the "Fourth Fee Application") (Docket No.3389) requesting approval of fees in the amount of \$110,725.50 and reimbursement of expenses in the amount of \$81,841.65 for the period of July 1, 1998 through October 31, 1998. The Fourth Fee Application is pending before the Court. On April 13, 1999, RL&F filed its fifth interim fee application (the "Fifth Fee Application") (Docket No. 4140) requesting approval of fees in the amount of \$74,320.20 and reimbursement of expenses in the amount of \$49,481.51 for the period of November 1, 1998 through February 28, 1999. The Fifth Fee Application is pending before the Court.³ In support of the final allowance of fees and reimbursement of expenses sought by this Application, RL&F incorporates the Prior Applications herein by reference.

BASIS FOR RELIEF REQUESTED

9. RL&F makes this Application pursuant to the following: (a) Sections 330(a) and 331 of the Bankruptcy Code; (b) Rule 2016 of the Bankruptcy Rules (c) the Interim Compensation Order; (d) the Order Granting Relief from Certain Provisions of the Administrative Order, Pursuant to Section 331 of the Bankruptcy Code, Establishing Procedures for Interim Compensation of Reimbursement of Professionals, dated December 5, 1997 (the "Amendment to Interim Compensation Order"); (e) certain applicable provisions of the Guidelines for (A) Applications for Compensation and Reimbursement of Expenses of Professionals Adopted by the Office of the United

³The First, Second, Third, Fourth and Fifth Fee Applications are collectively referred to herein as the "Prior Applications."

States Trustee (the "Guidelines") and (f) Local Court Order No. 32 of the United States Bankruptcy Court for the District of Delaware ("Local Rule 32").

10. RL&F also makes this Application in accordance with the requirements of the Order Appointing Fee Order and Establishing Related Procedures Concerning the Allowance of Payment of Compensation of Reimbursement of Expenses of Professionals and Consideration of Fee Applications, dated June 16, 1998 (the "Fee Auditor Order"), which, among other things, appointed Stuart Maue Mitchell & James as fee auditor in these cases (the "Fee Auditor"). In accordance with the Fee Auditor Order, the Fee Auditor has prepared reports with respect to the fees and expenses requested by RL&F in each of the Prior Applications (collectively, the "Fee Auditor Reports").⁴

FEE STATEMENTS

11. Attached hereto as Exhibit A are fee statements for the Sixth Compensation Period. These statements contain daily time logs describing the time spent and activities performed by each attorney and paraprofessional in these cases during the Sixth Compensation Period. To the best of RL&F's knowledge, this Application complies with the Bankruptcy Code, the Bankruptcy Rules, the Guidelines, Local Rule 32 and the Order's of this Court in these chapter 11 cases.

ACTUAL AND NECESSARY EXPENSES

12. Attached hereto as Exhibit B is a summary of actual and necessary expenses and daily logs of expenses incurred by RL&F for the Sixth Compensation Period

13. RL&F charges all of its clients \$.20 per page for photocopying expenses; however, per order entered by Judge Walsh on June 10, 1998 in the case of In re Edison Brothers Stores, Inc., et al., Case No. 95-1354 (PJW)(Bankr. D. Del.), RL&F now charges its bankruptcy clients \$.15 per

⁴RL&F intends to submit a response to the Fee Auditor Reports which will address certain issues raised by the Fee Auditor in the Fee Auditor Reports.

page for photocopying expenses as of June 10, 1998. RL&F charges \$1.00 per page for out-going facsimiles. Actual long-distance carrier charges for outgoing facsimile transmissions are reflected in the long-distance telephone charges.

14. Regarding providers of on-line legal research (e.g., LEXIS and WESTLAW), RL&F charges all its clients the standard usage rates these providers charge, which, due to contractual flat fees, may not always equal RL&F's actual cost. RL&F is currently under contract to pay these providers a flat fee every month. For certain months the flat fee may be higher than actual usage. For certain other months the flat fee may be lower than actual usage. Charging its clients the on-line providers' standard usage rates allows RL&F to cover adequately the monthly flat fees it must pay to these types of providers.

15. RL&F believes the foregoing rates are the going rates that the majority of law firms charge clients for such services. In addition, RL&F believes that these charges are in accordance with the American Bar Associations's ("ABA") guidelines, as set forth in the ABA's Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other charges.

SUMMARY OF SERVICES RENDERED

16. The attorneys of RL&F who have rendered professional services in these cases during the Sixth Compensation Period are: Thomas L. Ambro, James G. Leyden, William Haubert, Daniel J. DeFranceschi, David W. Carickhoff, Jr., Deirdre M. Richards⁵ and Paul N. Heath. Paraprofessional services were provided by Brenda B. Collins, Lana M. Stein, Keith D. Warren, Maricarol Miller, Joanne E. Sullivan, William Pusey, Judy Hearn, Laura B. Ahtes, Patricia A. Lemoine, Kimya M. Spencer and Jared Schierbaum.

⁵Ms. Richards is not yet a member of the Delaware Bar, she is admitted to practice in Pennsylvania

17. RL&F, by and through the above-named persons, has advised the Debtors on a regular basis with respect to legal matters in connection with the operation and reorganization of their businesses and with respect to all other matters arising in the performance of its duties. Further, RL&F has prepared and/or assisted in the preparation of various motions, applications and orders submitted to the Court for consideration and has performed all necessary professional services which are described and narrated in detail hereinafter.

SUMMARY OF SERVICES BY PROJECT

18. The services rendered by RL&F during the Sixth Compensation Period can be grouped into the categories set forth below. The attorneys and paraprofessionals who, during the Sixth Compensation Period, rendered services relating to each category are identified, along with the number of hours for each individual and the total compensation sought during such period for each category, in Exhibit A attached hereto. Moreover, the descriptions of services performed during the Prior Compensation Periods are contained in the Prior Applications and the daily time records attached thereto.

A. Case Administration/Miscellaneous Matters

Fees: \$37,166.40; Total Hours: 498.00

This category includes tasks related to filing documents with the Court, service thereof, maintenance of case calendars, communications with the U.S. Trustee, review of notices of appearance, and maintaining service lists.

B. Creditor Inquiries

Fees: \$2,750.90; Total Hours: 27.20

This category includes tasks related to responding to creditor inquiries.

C. Meetings

Fees: \$0 ; Total Hours: 0

This category includes preparing for and attending meetings with debtors, other creditors' committees, individual creditors, the U.S. Trustee and co-counsel.

D. Executory Contracts/Unexpired Leases

Fees: \$10,690.30; Total Hours: 53.80

This category includes tasks related to contract and lease analysis and matters related to assumption, assignment or rejection of executory contracts and unexpired leases.

E. Automatic Stay/Adequate Protection

Fees: \$1,226.90; Total Hours: 6.80

This category includes tasks related to motions to lift or modify the automatic stay and all other types of actions where adequate protection is the central issue and issues related to the effect of the automatic stay on pending matters.

F. Plan of Reorganization/Disclosure Statement

Fees: \$21,810.50; Total Hours: 134.80

This category includes tasks related to analysis and approval of the disclosure statement and the Plan.

G. Use, Sale, Lease of Assets

Fees: \$8,335.60; Total Hours: 43.30

This category includes tasks related to acquisitions, dispositions and other post-petition uses of the property of the estate.

H. Cash Collateral/DIP Financing

Fees: \$1,206.60; Total Hours: 7.20

This category includes tasks related to negotiations with lenders concerning debtor-in-possession financing and related matters.

I. Claims Administration

Fees: \$28,545.20; Total Hours: 182.60

This category includes tasks related to claims administration and bar date matters.

J. Court Hearings

Fees: \$46,051.00; Total Hours: 327.10

This category includes preparation for and attendance at court hearings.

K. General Corporate/Real Estate

Fees: \$358.00; Total Hours: 2.10

This category includes all transactional, corporate governance and related matters involving debtors' business operations that are not part of a plan of reorganization or a disclosure statement.

L. Schedules/SOFA/U.S. Trustee Reports

Fees: \$90.80; Total Hours: .30

This category includes tasks related to preparation of schedules, amendments, statements of financial affairs and amendments, operating reports and other reports required by the U.S. Trustee.

M. Employee Issues

Fees: \$35.00; Total Hours: .10

This category includes tasks related to employee wages, benefits, collective bargaining issues, and other employee relation matters, such as the employee retention program.

N. Environmental

Fees: \$652.10; Total Hours: 6.20

This category includes tasks related to all environmental matters.

O. Tax Issues

Fees: \$562.60; Total Hours: 4.80

This category includes tasks related to all federal and state income, property, employment, excise and other tax matters.

P. Litigation/Adversary Proceedings

Fees: \$5,896.90; Total Hours: 29.0

This category includes tasks related to reviewing and addressing litigation and adversary proceedings, such as disputes with trade competitors and vendors, modification of the Bankruptcy Rule 9027 time period, and related discovery matters.

Q. Professional Retention/Fee Issues

Fees: \$1,234.80; Total Hours: 5.80

This category includes tasks related to preparing applications to retain professionals.

R. Fee Application Preparation

Fees: \$6,871.00; Total Hours: 57.90

This category includes tasks related to the preparation of fee applications.

S. Non-Working Travel⁶

Fees: \$83.00; Total Hours: 1.0

This category includes all travel time not otherwise chargeable.

T. Vendor/Suppliers

Fees: \$632.60; Total Hours: 2.70

This category includes tasks relating to reviewing and addressing vendor and/or supplier inquiries, including the reclamation program.

U. Utilities

Fees: \$16.60; Total Hours: .20

This category includes tasks related to utility issues.

V. Insurance

Fees: \$62.40; Total Hours: .30

This category includes tasks related to insurance policies or coverage.

VALUATION OF SERVICES

19. Section 330 of the Bankruptcy Code provides, in pertinent part, for the payment of:

(1) reasonable compensation for actual, necessary services rendered by such trustee, examiner, professional person, or attorney, as the case may be, and by any paraprofessional persons employed by such trustee, professional person, or attorney, as the case may be, based on the nature, the

⁶The fees and time entry included in this subcategory for "non-working travel" was erroneously entered in this category. It actually should have been entered in the subcategory for Court Hearings.

extent, and the value of such services, the time spent on such services, and the cost of comparable services other than in a case under this title; and

(2) reimbursement for actual, necessary expenses.

11 U.S.C. § 330(a). To grant a request for compensation pursuant to section 330 of the Bankruptcy Code, a court must find that such request is reasonable. The reasonableness of a compensation request is determined by taking into account the nature, extent and value of the services provided by the professional and the cost of comparable services in nonbankruptcy contexts. Zolfo Cooper & Co. v. Sunbeam-Oster Co., 50 F.3d 253, 258 (3d Cir. 1995); In re Busy Beaver Building Ctr., Inc., 19 F.3d 833, 849 (3d Cir. 1994).

20. Under the "market-driven approach" to compensation requests adopted by the Third Circuit, the primary focus of the inquiry is on the cost of comparable services in nonbankruptcy contexts. Zolfo Cooper, 50 F.3d at 258; see also Busy Beaver, 19 F.3d at 849-50 (recognizing that Congress intended as a matter of policy that bankruptcy practitioners should be compensated at the same rates as nonbankruptcy practitioners to attract and retain top caliber attorneys to the practice of bankruptcy law); In re Fine Paper Antitrust Litig., 751 F.2d 562, 583 (3d Cir. 1984) ("The value of an attorney's time generally is reflected in his normal billing rate."). This market-based approach permits flexibility in billing arrangements. Although the so-called "lodestar" method (hourly rate multiplied by hours worked) currently is the most widely utilized method for compensation arrangements, the Third Circuit recognizes that, if the market were to dictate some other form of compensation arrangement, section 330 of the Bankruptcy Code is flexible enough to accommodate requests for compensation on that basis. See Busy Beaver, 19 F.3d at 849 n.21, 856. Regardless of the manner in which compensation is calculated, however, "the baseline rule is for firms to receive their customary rates." Zolfo Cooper, 50 F.3d at 259.

21. Attorneys and paraprofessionals of RL&F have expended a total of 1,391.20 hours in connection with this matter during the Sixth Compensation Period:

<u>ATTORNEYS/SUMMER ASSOCIATES</u>	<u>HOURS</u>	<u>RATE</u>
Thomas L. Ambro	34.50	\$350
James G. Leyden	.40	\$275
William Haubert	.20	\$240
Daniel J. DeFranceschi	470.90	\$208
David W. Carickhoff, Jr.	4.30	\$137
Deirdre M. Richards	4.30	\$178
Paul N. Heath	2.20	\$137
<u>PARAPROFESSIONALS</u>	<u>HOURS</u>	<u>RATE</u>
Brenda B. Collins	7.10	\$88
Lana M. Stein	54.10	\$83
Keith D. Warren	.90	\$83
William Pusey	1.40	\$83
Maricarol Miller	461.00	\$83
Joanne E. Sullivan	6.10	\$83
Judy Hearn	2.90	\$83
Laura B. Ahtes	14.80	\$83
Patricia A. Lemoine	187.50	\$46
Patricia A. Lemoine	51.30	\$83
Kimya M. Spencer	85.80	\$46
Jared Schierbaum	1.50	\$46

22. The nature of the work performed by these persons during the Sixth Compensation Period is fully set forth in Exhibit A attached hereto. These are RL&F's normal hourly rates for work of this character. The reasonable value of the services rendered by RL&F to the Debtors during the Sixth Compensation Period is \$174,279.20.

23. In accordance with its practice in nonbankruptcy matters, RL&F has utilized the lodestar method for calculating its compensation requests submitted in this Application and the Prior Applications. There is a strong presumption that the lodestar product is reasonable under section 330 of the Bankruptcy Code. See Pennsylvania v. Delaware Valley Citizens' Council for Clean Air, 478

U.S. 546, 565 (1986); In re Drexel Burnham Lambert Group, Inc., 133 B.R. 13, 22 (Bankr. S.D.N.Y. 1991). Moreover, RL&F's lodestar calculation is based upon hourly rates that are well within the range of rates that are charged by comparable firms in other large bankruptcy cases. Accordingly, RL&F's lodestar calculation is reasonable under sections 330 of the Bankruptcy Code. See Drexel Burnham Lambert, 133 B.R. at 22.

REQUEST FOR FINAL ALLOWANCE

24. RL&F hereby seeks final allowance of compensation and reimbursement of expenses for the Combined Compensation Period as follows:

a. Compensation of \$888,730.40 in connection with services rendered during the Combined Compensation Period. RL&F has summarized each professional's and paraprofessional's status and hourly billing rate for the Combined Compensation Period in Exhibit C to this Application. The total hours incurred and fees charged for each major project area for the Combined Compensation Period are set forth on Exhibit D to this Application. Each of the interim fee applications submitted during the Combined Compensation Period contain supporting daily time detail for the pertinent time period.

b. Reimbursement of actual and necessary expenses of \$777,615.43 in connection with RL&F's services during the Combined Compensation Period. Summaries and itemizations of these expenses are attached as Exhibit E to this Application and in similar exhibits attached to each of the Prior Applications.

c. Estimated Fees and Expenses in the amount of \$20,160.00, which either (i) have been or will be incurred after August 2, 1999 in connection with the preparation of this Application, RL&F's Monthly Statement for July 1999 and related fee matters or (ii) relate to expenses incurred during the Combined Compensation Period but not yet billed due to delays in the

applicable billing cycle for such expenses. RL&F proposes that the payment of the Estimated Fees and Expenses will be subject to the following procedures (the "Estimated Fee and Expense Procedures"):

- The Estimated Fees and Expenses will be paid in full by the Debtors upon approval by the Court.
- As promptly as possible, but in no event later than 20 business days after the date that an order is entered approving this Application (the "Entry Date"), RL&F will provide an invoice to the Debtors (the "Invoice") detailing the actual fees and expenses incurred by RL&F after August 2, 1999 on matters included in the Estimated Fees and Expenses. The Debtors may review the Invoice for reasonableness of the charges and, if the parties are unable to agree on the reasonableness of the fees and expenses for the services performed, the Debtors may petition the Court for a determination of reasonableness.
- If the actual incurred fees and expenses are less than the Estimated Fees and Expenses, RL&F will either (i) return the overpayment to the Debtors by check along with the Invoice or at such other time as the actual fees and expenses are finally established or (ii) with the Debtors' consent, apply the amount of the overpayment as a credit against future billings.
- If the actual incurred fees and expenses are more than the Estimated Fees and Expenses, the Debtors may pay the additional amounts to RL&F, provided that any such additional fees and expenses paid by the Debtors do not exceed 10% of the amount of the Estimated Fees and Expenses. RL&F may file a supplemental application with the Court no later than 30 business days after the Entry Date seeking

approval of any additional amounts not paid by the Debtors. RL&F may not seek any compensation for its time or reimbursement for its expenses incurred in connection with such supplemental application, if any.

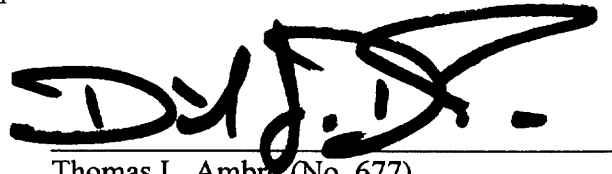
25. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, and the prevailing legal standards, the amounts requested for the Sixth Compensation and the Combined Compensation Period is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of those services, and (e) the costs of comparable services other than in a case under this title.

NOTICE

In accordance with the Interim Compensation Order and the Fee Auditor Order, copies of this Application have been served on counsel to the Official Committee of Unsecured Creditors, the United States Trustee and the Fee Auditor. Additionally as required by paragraph 4(d) of the Fee Auditor Order, the Fee Auditor has also been served with a software version of this Application in a computer-readable format approved by the Fee Auditor.

WHEREFORE, RL&F respectfully requests that the Court enter an order substantially in the form of the order attached hereto as Exhibit F granting this Application and the interim and final compensation and reimbursement of expenses requested herein and granting such other and further relief as this Court may deem proper.

Dated: October 1, 1999
Wilmington, Delaware

A handwritten signature in black ink, appearing to read 'T. Ambro', written over a horizontal line.

Thomas L. Ambro (No. 677)
Daniel J. DeFranceschi (No. 2732)
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CO-COUNSEL FOR DEBTORS
AND DEBTORS IN POSSESSION