

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

IN RE: : Jointly Administered  
: Case No. 97-1409 (PJW)  
THE Montgomery Wards Holding :  
Corp., a Delaware :  
Corporation, et al., : Chapter 11  
: :  
: :  
Debtors. :  
: NOTICE OF FINAL  
: APPLICATION OF YANTEK  
: ENTERPRISES FOR INTERIM  
: ALLOWANCE OF COMPENSATION  
: AND REIMBURSEMENT OF  
: EXPENSES

Yantek Enterprises hereby makes its Final application  
(the "Application") for interim allowance of compensation of  
\$ 548,625.00 and reimbursement or related expenses of  
\$136,880.81 for the period (the "Final Compensation Period")  
from May 28, 1998 through July 31, 1999.

Dated: October 1, 1999

---

Frank R. Yantek  
Yantek Enterprises  
8097 Sacred Heart Lane  
Cincinnati, OH 45255  
(513-474-4518)

547/2

## BACKGROUND

### A. Background and Status of Chapter 11 Cases

1. On the Petition Date, Montgomery Wards Holding Corp., ("Wards") and the other above-captioned debtors and debtors in possession (collectively, the "Debtors") filed voluntary petition for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. Sections 101-1330 (the "Bankruptcy Code").

2. The Debtors have remained in possession of their respective property and are operating their businesses as debtors in possession pursuant to section 1107 and 1108 of the Bankruptcy Code. The Debtors' cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of this Court.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. 157 (b) (2). The venue of these chapter 11 cases and this Application is proper pursuant to 28 U.S.C. 1408 and 1409. Yantek Enterprises ("Yantek") makes this Application pursuant to the following: (a) section 330(a) and 331 of the Bankruptcy Code, (b) Federal Rule of Bankruptcy Procedure 2016, (c) Local Bankruptcy Rule 4.4, (d) the Order on Procedure of Allowance and Payment of Professional Interim Fees and Expenses entered on July 8, 1997 (the "Interim Compensation Order:), and (e) certain applicable provisions of the Guidelines for Applications for Compensation and Reimbursement of Expenses of Professional adopted by the Office of the United States Trustees (the "U.S. trustee:).

**B. The Retention of Yantek Enterprises**

4. On May 28, 1998, the Debtors sought to retain and employ Yantek Enterprises ("Yantek") to assist in administering their executory contracts. On July 15, 1998, the Court entered an order (the "Retention Order")<sup>1</sup> authorizing Yantek's retention as contract consultant.

5. Yantek is particularly well suited to represent the Debtors. Yantek has participated in some of the largest and most complex cases under the bankruptcy Code, including the chapter 11 cases of Federated Department Stores, Inc.; Allied Stores Corporation; R.H. Macy & Co.; The Elder-Beerman Stores Corp.; and Wang Labs, Inc.

**RELIEF REQUESTED AND REASONS THEREFOR**

**A. Request Allowance of Compensation and Reimbursement of Expenses**

6. Yantek Enterprises hereby seeks interim allowance of compensation and reimbursement of expenses in connection with the services rendered by Yantek during the Entire Interim Compensation Period and for the period from May 28, 1998 to July 31, 1999 as follows:

a. Compensation of \$548,625.00 in connection with services rendered. Yantek has summarized each of its professional status and hourly billing rate in Exhibit B attached hereto and incorporated herein by reference;<sup>2</sup> and

---

<sup>1</sup> A copy of the Retention Order is attached hereto as Exhibit A and incorporated herein by reference.

<sup>2</sup> Pursuant to paragraph 2(G) of the Interim Compensation Order, Yantek Enterprises has not filed its underlying daily itemized time records with this Application. These time records, which Yantek Enterprises prepares in the ordinary course of its practice, have been furnished to the Fee Parties (defined in the

b. Reimbursement of expenses of \$136,880.81 incurred in connection with Yantek Enterprises services. A summary and itemization of expenses is attached to this Application as Exhibit C and incorporated herein by reference.

**B. Payments Already Made Pursuant to Monthly Statements**

7. Pursuant to the Interim Compensation Order, professionals in these chapter 11 cases are authorized to submit a statement of fees and expenses (the "Monthly Statement") to the Debtors for payment on a monthly basis. The Debtors are directed to pay 80% of the fees requested in a professional's Monthly Statement and the full amount of the expenses incurred, unless one the Fee Parties objects to the Monthly Statement.<sup>3</sup> The remaining 20% of the professional fees requested in the Monthly Statement are held back until the next scheduled hearing on allowance of interim fees, at which time they become payable to the extent allowed by the Court.

8. Yantek Enterprises has submitted Monthly Statements to the Debtors as follows:

a. For May 28, through June 30, 1998--  
fees of \$30,710.00 and expenses of \$11,348.28;

b. For July 1, through July 31, 1998--  
fees of \$ 31,125.00 and expenses of \$ 10,035.55;

c. For August 1, through August 31, 1998--

---

Interim Compensation Order as including the Debtors, counsel to the Committees, and the U.S. trustee) and they are available to the Court upon request.

<sup>3</sup> If one of the fee Parties objects to a Monthly Statement, the Debtors are authorized to pay the amount requested less the greater of (a) the amount in dispute of (b) the 20% holdback.

fees of \$ 37,520.00 and expenses of \$ 8,331.14;

d. For September 1, through September 30, 1998--  
fees of \$ 34,730.00 and expenses of \$ 9,233.44;

e. For October 1, through October 31, 1998--  
fees of \$ 42,350.00 and expenses of \$ 12,089.24;

f. For November 1, through November 30 1998--  
fees of \$ 34,055.00 and expenses of \$ 8,630.42;

g. For December 1, through December 31, 1998--  
fees of \$ 35,605.00 and expenses of \$ 11,816.31;

h. For January 1, through January 31, 1999--  
fees of \$ 41,700.00 and expenses of \$ 8,625.59;

i. For February 1, through February 28, 1999--  
fees of \$ 45,110.00 and expenses of \$ 10,531.37;

j. For March 1, through March 31, 1999--  
fees of \$ 50,305.00 and expenses of \$ 11,703.88;

k. For April 1, through April 30, 1999--  
fees of \$ 34,615.00 and expenses of \$ 7,781.12;

l. For May 1, through May 31, 1999--  
fees of \$ 45,860.00 and expenses of \$ 11,239.95;

m. For June 1, through June 30, 1999--  
fees of \$ 48,780.00 and expenses of \$ 12,857.17;

n. For July 1, through July 31, 1999--  
fees of \$ 35,455.00 and expenses of \$ 14,005.63;

In total, therefore, Yantek has submitted Monthly Statements since May 30, 1998 for fees in the amount of \$548,625.00 and expenses in the amount of \$ 136,880.81.

9. None of the Fee Parties objected to Yantek's Monthly Statements for entire period of May, 1998 through July, 1999.

10. Yantek has been paid 80% of fees and 100% of expenses for the entire period of May, 1998 through July, 1999.

C. Description of Services Rendered

11. Yantek has set forth below a summary of the services it rendered to the Debtors during the Entire Compensation Period. Briefly, during the Entire Compensation Periods Yantek provided 4,322.4 hours of service to the Debtors on a variety of executory contract issues.

**Executory Contracts and Unexpired Leases**

12. Yantek developed a system to educate executives on the hundreds of types of executory contracts in the retail environment. This included information worksheets that eventually helped identify the over 5600 executory contracts to date.

13. Also, Yantek developed a database used to list and manage the executory contract data. This data base was then used to produce the Schedule of Executory Contracts and Unexpired Leases for non-real property.

14. Finalized the process of identifying and analyzing particularly burdensome Contracts to be rejected or in certain cases recharacterized as Secured Financings.

15. Worked with various associates to reconcile and determine estimated cure amounts for all assumed executory contracts and estimate potential damage claims for rejected contracts.

D. Description of Expenses Incurred

16. Yantek seeks reimbursement for actual, necessary expenses

(the "Expenses") incurred in rendering services during the Entire Compensation Period. The total amount of the Expenses is \$ 136,880.81. The Expenses were reasonable and necessary in light of the services provided.

17. Yantek maintains the following policies with respect to Expenses:

- a. Yantek has retained documentation for all Expenses in excess of \$25.00, and upon request will provide such documentation to the Court, the U.S. trustee, the Debtors, and the Committee.
- b. No amortization of the cost of any investment, equipment, or capital outlay is included in the Expenses, nor does Yantek make a profit on any Expense.
- c. Meals charged to the Debtors were associated with out-of-town travel and did not exceed \$75.00 per person per day.
- d. Mileage was charged at the prevailing rate allowed by the IRS for tax deductions for mileage.

E. Adjustments to Fees and Expenses

18. Consistent with its own internal policies and in order to comply with the "reasonableness" requirements of section 330 of the Bankruptcy Code, Yantek has reviewed the service descriptions filed with its Monthly Statements and expense detail and has determined no adjustments are needed to be made to this Application.

LEGAL ARGUMENT

A. The Legal Standard

19. To grant a request for compensation pursuant to section 330

of the Bankruptcy Code, a court must find that such request is reasonable. The Bankruptcy Code provides that the same considerations apply to the making of interim awards of compensation under section 331 as to final allowances under section 330.

20. For all the foregoing reasons, the fees requested in this Application are reasonable and reflect the value of the services provided to the Debtors' estates. Moreover, Yantek has requested reimbursement only of actual and necessary expenses in compliance with the Interim Compensation Order. Finally, in accordance with the Guidelines, Mr. Yantek has certified that the Debtors have received, reviewed, and approved the Application.

21. Yantek requests that the Court waive the requirement under Local Bankruptcy Rule 5.4 that it file a separate memorandum of law in support of this Application.

WHEREFORE, Yantek respectfully requests that the Court enter an order substantially in the form of the order attached hereto as Exhibit D: (a) allowing compensation of \$ 548,625.00 for services rendered in the Second Compensation Period, (b) allowing on an interim basis the reimbursement of Expenses incurred during the Second Compensation Period

of \$ 136,880.81, subject to any timely objection thereto, and (d) granting such other and further relief as the Court may deem Proper.

Dated: October 1, 1999

Respectfully submitted,

---

Frank R. Yantek