

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)	Chapter 11
)	No. 02 B 08699
NATIONAL STEEL CORPORATION, et al.,)	(Jointly Administered)
)	
Debtors.)	Hon. John H. Squires
)	
)	Hearing Date: May 11, 2004
)	Hearing Time: 8:30 a.m.
)	

**ORDER APPROVING THE AMENDED FINAL JOINT APPLICATION
OF (I) HSBC BANK USA, AS INDENTURE TRUSTEE
FOR FIRST MORTGAGE BONDHOLDERS, (II) KELLEY DRYE &
WARREN LLP, COUNSEL TO THE INDENTURE TRUSTEE, AND
(III) THIBODEAU, JOHNSON & FERIANCEK, PLLP, AS LOCAL
COUNSEL TO THE INDENTURE TRUSTEE, FOR (A) FINAL
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF
EXPENSES AND (B) RELEASE OF HOLDBACK COMPENSATION**

This matter coming before the Court on the Amended Final Joint Application of (i) HSBC Bank USA, as Indenture Trustee for First Mortgage Bondholders, (ii) Kelley Drye & Warren LLP, Counsel to the Indenture Trustee, and (iii) Thibodeau, Johnson & Feriancek, PLLP, Local Counsel to the Indenture Trustee for (A) Final Allowance of Compensation and Reimbursement of Expenses and (B) Release of Holdback Compensation (the "Application"); the Court having reviewed the Application and having determined that the legal and factual bases set forth therein establish just cause for the relief granted herein,

THE COURT HEREBY FINDS AND CONCLUDES THAT:

- a. Capitalized terms not otherwise defined herein have the meanings given to them in the Application.

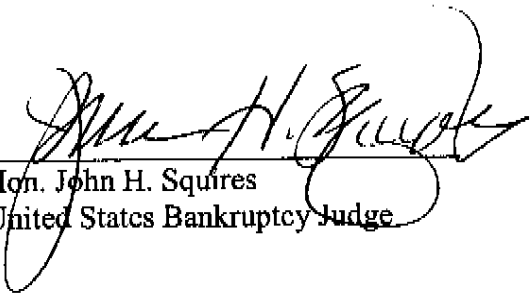
- b. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and the general reference of bankruptcy matters to this Court made by the District Court for the Northern District of Illinois.
- c. This is a core proceeding under 28 U.S.C. § 157(b)(2).
- d. Notice of the Application was sufficient under the circumstances.

IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED.
2. The Trustee is hereby awarded, on a final basis, an allowance of compensation for professional services rendered during the period from March 6, 2002 to May 20, 2003 in the amount of \$27,591.22.
3. Kelley Drye, counsel to the Trustee, is hereby awarded, on a final basis, an allowance of compensation for professional services rendered during the period from March 6, 2002 to May 20, 2003 in the amount of \$242,155.07, and reimbursement of expenses incurred in connection with rendering such services in the amount of \$13,228.64.
4. Thibodeau, Johnson & Feriancek, PLLP, local counsel to the Trustee, is hereby awarded, on a final basis, an allowance of compensation for professional services rendered during the period from March 6, 2002 to May 20, 2003 in the amount of \$1,134.50, and reimbursement of expenses incurred in connection with rendering such services in the amount of \$147.07.

5. The Debtors are authorized and directed to pay to Kelley Drye within five business days after the date of entry of this Order on a final basis the amount of \$9,755.76, which represents the Holdback Amounts minus the offsets due to the Debtors.

Dated: 5/11, 2004
Chicago, Illinois


Hon. John H. Squires
United States Bankruptcy Judge