

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

**FILED**  
UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
FEB 02 2004  
KENNETH S. GARDNER, CLERK  
PS REP. - KG

In re: ) Case No. 02-08699  
) (Jointly Administered)  
NATIONAL STEEL CORPORATION, ) Chapter 11  
    et al., ) Hon. John H. Squires  
)  
Debtors. )

**FINAL APPLICATION FOR ALLOWANCE OF COMPENSATION FOR SERVICES  
RENDERED AND FOR REIMBURSEMENT OF EXPENSES DURING PERIOD FROM  
MARCH 6, 2002 THROUGH DECEMBER 19, 2003 OF WILLIAMS & CONNOLLY LLP**

Name of Applicant: Williams & Connolly LLP

Authorized to Provide Professional Services to: National Steel Corporation

Date of Order Authorizing Employment: April 2, 2002

Period for Which Compensation is Sought: March 6, 2002 through December 19, 2003

Amount of Fees Sought: \$1,530,186.30

Amount of Expenses Sought: \$424,127.75

This is an: Interim Application \_\_\_\_\_ Final Application   X  

Interim and Monthly Statements Covered by Application:

Period Covered	Requested Fees	Requested Expenses	Awarded Fees	Awarded Expenses	Paid Fees	Paid Expenses
3/6/02-7/31/02	\$348,058.50	\$59,494.88	\$346,916.00	\$58,163.76	\$346,916.00	\$58,163.76
8/1/02-11/30/02	\$284,941.50	\$74,863.68	\$284,941.50	\$74,499.14	\$284,941.50	\$74,499.14

12/1/02-3/31/03	\$432,871.30	\$172,036.18	\$432,871.30	\$171,317.18	\$432,317.30	\$171,317.18
4/1/03-7/31/03	\$322,673.50	\$98,774.49 <sup>1</sup>	Pending	Pending	\$293,862.16	\$100,291.06
8/1/03-8/31/03	\$36,544.75	\$10,314.20	\$32,890.28	\$10,314.20	\$32,980.28	\$10,314.20
9/1/03-9/30/03	\$11,318.00	\$2,361.62	\$10,186.20	\$2,361.62	\$10,186.20	\$2,361.62
10/1/03-10/31/03	\$23,017.50	\$1,805.67	\$20,715.75	\$1,805.67	\$20,715.50	\$1,805.67
11/1/03-11/30/03	\$32,569.25	\$1,336.22	\$29,312.33	\$1,336.22	Pending	Pending
12/1/03-12/19/03	\$39,334.50	\$5,555.47	Pending	Pending	Pending	Pending

The aggregate amount of fees and expenses paid to date to the Applicant for services rendered and expenses incurred is: \$1,840,671.60. Accordingly, of the \$1,954,314.10 for which approval is requested, \$113,642.50 remains to be paid.

Date: 1/27/08

By:   
Applicant, for Williams & Connolly LLP

<sup>1</sup> This represents the adjusted amount requested in the Amended Fourth Interim Application filed on December 16, 2003. In the original Fourth Interim Application filed on August 27, 2003, W&C requested \$100,291.06 in expenses.

**FINAL FEE APPLICATION OF WILLIAMS & CONNOLLY LLP  
SUMMARY OF PROFESSIONALS PROVIDING SERVICES  
TO NATIONAL STEEL CORPORATION**

<b>NAME</b>	<b>POSITION; EXPERIENCE</b>	<b>HOURLY RATE</b>	<b>TOTAL HOURS</b>	<b>TOTAL COMPENSATION</b>
Paul M. Wolff	Litigation Partner; 36 years with W&C; admitted in 1968	\$550.00 in 2002 \$650.00 in 2003	86.00	\$50,760.00
Jerry L. Shulman	Corporate Law Partner; 30 years with W&C; admitted in 1972	\$550.00	.50	\$275.00
Philip J. Ward	Corporate Law Partner; 25 years with W&C; admitted in 1975	\$450.00	1.25	\$562.50
David M. Zinn	Litigation Partner; 10 years with W&C; admitted in 1990	\$350.00 in 2002 \$385.00 in 2003	770.45	\$265,400.50
Paul T. Hourihan	Litigation Associate; 7 years with W&C; admitted in 1995	\$300.00 in 2002 \$340.00 in 2003	1604.35	\$517,551.00
Matthew S. Amatruda	Litigation Associate; 4 years with W&C; admitted in 1999	\$270.00	247.75	\$66,892.50
Jennifer G. Wicht	Litigation Associate; 3 years with W&C; admitted in 1999	\$255.00 in 2002 \$290.00 in 2003	595.10	\$169,170.00
Heidi S. Murdy	Litigation Associate; 2½ years with W&C; admitted in 2001	\$215.00 in 2002 \$255.00 in 2003	1111.35	\$243,285.30
Alicia D. Julian	Research Librarian	\$165.00 in 2002 \$175.00 in 2003	1.60	\$268.00

Caitlin S. Lietzan	Research Services Manager	\$165.00 in 2002 \$190.00 in 2003	2.90	\$546.00
Ellen S. Feldman	Library Director	\$200.00	.20	\$40.00
Garland N. Lewis	Research Assistant/Legal Assistant	\$150.00/\$120.00	10.00	\$1,245.00
Katherine A. Morrison	Research Assistant	\$135.00 in 2002 \$150.00 in 2003	3.90	\$552.00
Patricia A. Hennessy	Research Assistant	\$150.00	13.00	\$1,816.50
Carl A. Schimke	Litigation Support Project Manager	\$175.00	8.00	\$1,180.00
Margaret A. Havinga	Litigation Support Manager	\$210.00	4.00	\$840.00
Patrick T. Markey	Litigation Support Specialist	\$175.00	8.00	\$1,400.00
Oana M. Cojan	Litigation Support Assistant	\$90.00	2.50	\$225.00
Voicu T. Cojan	Litigation Support Programmer	\$200.00	4.20	\$840.00
Xiomara M. Maynard	Litigation Assistant	\$125.00	5.00	\$625.00
Andrew T. George	Legal Assistant	\$115.00	22.50	\$2,587.50
Courtney S. Brown	Legal Assistant	\$120.00	6.90	\$828.00
Kathy A. Bell	Case Manager	\$135.00	1.20	\$162.00
Mary E. Steed	Legal Assistant	\$115.00	51.75	\$5,951.25
Megan K. Hall	Legal Assistant	\$105.00 in 2002 \$120.00 in 2003	715.60	\$80,569.50
Melissa A. Wicns	Legal Assistant	\$105.00	13.50	\$1,417.50
Mirko A. Pefaure	Legal Assistant	\$125.00	29.20	\$3,650.00
Rhonda Carter	Paralegal Manager	\$135.00	1.50	\$202.50
Stephanie A. Winters	Legal Assistant	\$105.00 in 2002 \$120.00 in 2003	21.10	\$2,286.75

Catherine K. Dunn	Document Clerk	\$80.00	11.70	\$936.00
Christina M. Liu	Document Clerk	\$80.00 in 2002 \$90.00 in 2003	189.70	\$16,608.00
David E. Rosen	Document Clerk	\$90.00	19.50	\$1,755.00
David J. Dugan	Document Clerk	\$80.00	83.00	\$6,640.00
Dungamon Muttamara	Document Clerk	\$80.00	59.90	\$4,792.00
Emily M. Gulick	Document Clerk	\$90.00	25.60	\$2,304.00
Godwin F. Owinje	Document Clerk	\$80.00	40.00	\$3,200.00
Geoffrey H. Simpson	Document Clerk	\$80.00	12.70	\$1,016.00
Jared M. Okun	Document Clerk	\$90.00	99.00	\$7,910.00
Jessica G. Skylar	Document Clerk	\$80.00 in 2002 \$90.00 in 2003	161.15	\$14,069.00
Jessica S. Levin	Document Clerk	\$80.00	6.70	\$536.00
Joshua A. Apfelroth	Document Clerk	\$90.00	105.75	\$9,517.50
Katherine S. Boyd	Document Clerk	\$80.00 in 2002 \$90.00 in 2003	123.05	\$10,500.50
Maureen F. Connolly	Document Clerk	\$80.00	116.80	\$9,259.00
Rotolu Adebisi	Document Clerk	\$80.00	35.50	\$2,840.00
Steven D. Weber	Document Clerk	\$80.00	5.50	\$440.00
Timothy D. Swain	Document Clerk	\$80.00 in 2002 \$90.00 in 2003	90.70	\$7,786.00
<b>TOTAL</b>			<b>6,529.55 HOURS</b>	<b>\$1,531,328.80<sup>1</sup></b>

Total Blended Hourly Rate: \$234.52  
(Including Paraprofessionals)

<sup>1</sup> This amount represents the total amount in fees incurred from March 6, 2002 to December 19, 2003 before any reductions were made.

**Summary of Disbursements Billed  
March 6, 2002-December 19, 2003**

<b><u>DISBURSEMENTS</u></b>	<b><u>AMOUNT</u></b>
Airfare	\$63,534.99
Federal Express/Postage	\$9,604.23
Hotel	\$16,331.21
Meals	\$5,275.85
Telephone	\$4,327.38
Court Fees (Includes Filing Fees, Messengers, and Marshal Fees)	\$2,380.34
Deposition Fees (Includes Transcripts and Recording Services)	\$26,119.91
Legal Research (Westlaw, Lexis, Dataline)	\$29,149.44
Professional Fees & Expenses (Experts)	\$197,088.27
Witness Fees & Expenses	\$289.74
Travel/Cab Fares	\$9,088.05
Printing & Copying	\$64,451.98
Supplies	\$417.59
<b>TOTAL DISBURSEMENTS</b>	<b>\$428,058.98<sup>1</sup></b>

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<sup>1</sup> This is the amount requested in the original Interim and Monthly Applications before any Orders given by the Court. The amount requested in this Final Application is \$424,137.75.

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

In re:	)	Case No. 02-08699
	)	(Jointly Administered)
NATIONAL STEEL CORPORATION,	)	Chapter 11
<u>et al.</u> ,	)	Hon. John H. Squires
	)	
Debtors.	)	

**FINAL APPLICATION OF WILLIAMS & CONNOLLY LLP  
FOR COMPENSATION AND EXPENSES  
(MARCH 6, 2002 TO DECEMBER 19, 2003)**

Williams & Connolly LLP ("W&C"), counsel for National Steel Corporation ("NSC"), hereby submits its final application (the "Final Application") to this Court for an order (i) allowing on a final basis compensation of \$1,530,186.30 for actual, reasonable and necessary professional services rendered, and reimbursement of \$424,127.75 for actual, reasonable and necessary expenses incurred, during the period from March 6, 2002 through December 19, 2003 (the "Total Compensation Period"), and (ii) authorizing and directing the Debtors to pay to W&C the sum of such allowed compensation and expense reimbursement less the amount previously received by W&C on account of its Interim and Monthly Fee Applications (defined below).

**A. Commencement of Proceedings**

On March 6, 2002 (the "Petition Date"), the Debtors each filed voluntary petitions in this Court for reorganization relief under 11 U.S.C. § 101-1330 (as amended, the "Bankruptcy Code").

On March 7, 2002, this Court entered an Administrative Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (Docket No. 34) (the "Administrative Order"). On

April 2, 2002, this Court entered an Order Pursuant to Section 327(e) of the Bankruptcy Code Authorizing Debtors to Retain David M. Zinn and Williams & Connolly LLP as Special Counsel for Debtors-In-Possession

The Administrative Order provides that professionals are to file with the Court monthly fee statements of all fees and costs incurred during the preceding month, detailing all services rendered and all expenses incurred. The Administrative Order further provides that if no objections to such statements are raised within 20 days, the Debtors may pay each professional 90% of the fees and 100% of the expenses requested. The Administrative Order directs professionals to file at four month intervals (or at such intervals convenient to the Court) an interim fee application for Court approval of the compensation and reimbursement of expenses sought in the monthly fee statements. Pursuant to the Administrative Order, W&C has filed the following interim and monthly fee applications:

**First Interim Fee Application:** On August 30, 2002, W&C filed its First Interim Application for Compensation and Expenses for the period March 6, 2002 through July 31, 2002. This Application reflected that W&C had incurred \$348,058.50 in fees and \$59,494.88 in expenses. On October 10, 2002, the Court awarded W&C \$346,916.00 in fees and \$58,163.76 in expenses. Pursuant to the Administrative Order, W&C subsequently received \$405,079.76.

**Second Interim Fee Application:** On December 24, 2003, W&C filed its Second Interim Application for Compensation and Expenses for the period August 1, 2002 through November 30, 2002. This Application reflected that W&C had incurred \$284,941.50 in fees and \$74,863.68 in expenses. On January 21, 2003, the Court awarded W&C \$284,941.50 in fees and \$74,499.14 in expenses. W&C subsequently received \$359,440.64.



**Third Interim Fee Application:** On April 30, 2003, W&C filed its Third Interim Application for Compensation and Expenses for the period December 1, 2002 through March 31, 2003. This Application reflected that W&C had incurred \$432,871.30 in fees and \$172,036.18 in expenses. In a May 29, 2003 letter to this Court, W&C wrote down the expenses to \$171,317.18. On June 9, 2003, the Court awarded W&C \$432,871.30 in fees and \$171,317.18 in expenses. W&C subsequently received \$604,188.48.

**Fourth Interim Fee Application and Fourth Amended Interim Fee**

**Application:** On August 27, 2003, W&C filed its Fourth Interim Application for Compensation and Expenses for the period April 1, 2003 through July 31, 2003. This Application reflected that W&C had incurred \$322,673.50 in fees and \$100,291.06 in expenses. W&C's original Fourth Interim Application was denied without prejudice on November 18, 2003 for failure to provide a supplement within fourteen days. W&C, however, was not present at the September 16, 2003 hearing in which the Court raised questions concerning certain of the expenses set forth in the Application, nor was W&C informed by counsel who were present that the Court had given it fourteen days to supplement the Application. After consulting the Court, W&C filed an Amended Application on December 16, 2003, writing down the total expenses to \$98,774.49. To date, W&C has been paid \$394,153.22, which was paid by National Steel Corporation pursuant to the monthly fee statements. The Court has not yet ruled on the Amended Application.

**Seventeenth Monthly Statement:** On September 26, 2003, W&C filed its Seventeenth Monthly Statement for the period August 1, 2003 through August 31, 2003. This Statement reflected that W&C had incurred \$36,544.75 in fees and \$10,314.50 in expenses. Pursuant to the Administrative Order, W&C has received \$43,204.48.

**Eighteenth Monthly Statement:** On October 27, 2003, W&C filed its Eighteenth Monthly Statement for the period September 1, 2003 through September 30, 2003. This Statement reflected that W&C had incurred \$11,318.50 in fees and \$2,361.62 in expenses. W&C subsequently received \$12,547.82.

**Nineteenth Monthly Statement:** On November 25, 2003, W&C filed its Nineteenth Monthly Statement for the period October 1, 2003 through October 31, 2003. This Statement reflected that W&C had incurred \$23,017.50 in fees and \$1,805.67 in expenses. W&C subsequently received \$22,521.42.

**Twentieth Monthly Statement:** On December 24, 2003, W&C filed its Twentieth Monthly Statement for the period November 1, 2003 through November 30, 2003. This Statement reflected that W&C had incurred \$32,569.25 in fees and \$1,336.22 in expenses. W&C has not yet received any payments in accordance with this statement.

W&C was directed by the Court not to file a monthly application for December 2003. During the period from December 1, 2003 to December 19, 2003 (the plan effective date), W&C incurred \$39,334.50 in fees and \$5,555.47 in expenses.<sup>1</sup> W&C has not yet received any payments in accordance with this statement.

The total amount of fees and expenses incurred for the period March 6, 2002 – December 19, 2003 is: \$1,954,314.10. Pursuant to the Administrative Order, W&C seeks approval of all of the foregoing fees and expenses for the period March 6, 2003 – December 19, 2003, and payment of all such fees and expenses that have not yet been paid.

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<sup>1</sup> A copy of the December invoice is attached as Exhibit A to this Final Application.

**B. Notice**

W&C's Interim and Monthly Fee Statements have been served, and this Final Fee Application is being served, on all required parties, as set forth in Paragraph 4 of the Administrative Order.

**C. Nature of Legal Services Performed by W&C**

W&C has represented Debtor National Steel Corporation ("NSC" or the "Company"), in numerous litigation matters, all arising out of kickback schemes perpetrated against NSC by certain former employees and suppliers of the Company. W&C has represented the Company in these matters since the spring of 2000. The litigation has resulted in several substantial settlements for the Company (including one for \$3-4 million, another for \$2.175 million, and a third for \$1 million), a plaintiff's verdict at trial, and a default judgment against other parties in the amount of \$36,421,401.17.

During the period March 6, 2002 through December 19, 2003, W&C worked on numerous separate matters, which are described below.

**1. NSC v. Marbi, et al.**

NSC filed this lawsuit against Marbi, Inc., a Florida supplier to NSC, and related parties in April 2000. The Complaint alleges claims against defendants for RICO violations, Robinson-Patman Act violations, commercial bribery, and related torts – all arising out of their improper payments to NSC officials. The case is nearing conclusion of the discovery stage. NSC has obtained a default judgment against some of the corporate parties in the amount of \$36,421,401.17.

During the Period covered by this Application, W&C engaged in document and deposition discovery, participated in a court-ordered mediation, conducted legal research, and worked with its expert to prepare a report required to be filed with the Court.

In connection with this matter, W&C expended 322.95 hours for which W&C seeks compensation of \$69,766.75. An itemized breakdown of the services rendered to the debtor is attached to each of the Interim and Monthly Fee Applications. A general breakdown is as follows:

<b>Attorney</b>	<b>Hours Worked</b>	<b>Bill Amount</b>
Paul M. Wolff	6.50	\$3,925.00
David M. Zinn	23.75	\$8,382.50
Paul T. Hourihan	55.70	\$17,462.00
Matthew S. Amatruda	19.90	\$5,373.00
Jennifer G. Wicht	7.60	\$2,036.00
Heidi E. Murdy	82.85	\$19,744.25
<b>Paraprofessional</b>		
Alicia D. Julian	.20	\$33.00
Carl A. Schimke	5.50	\$742.50
Christina M. Liu	1.00	\$80.00
Garland N. Lewis	1.50	\$180.00
Godwin F. Owinje	31.50	\$2,520.00
Jessica G. Skylar	28.65	\$2,459.50
Joshua A. Apfelroth	3.50	\$315.00
Kathy A. Bell	1.20	\$162.00
Katherine S. Boyd	4.70	\$376.00
Maureen F. Connolly	.50	\$45.00
Megan K. Hall	33.90	\$3,820.50
Margaret L. Havinga	4.00	\$840.00
Oana M. Cojan	2.50	\$225.00
Timothy D. Swain	3.00	\$270.00
Xiomara M. Maynard	5.00	\$625.00
<b>Total</b>	<b>322.95</b>	<b>\$69,766.75</b>

2. NSC v. Vock, et al.

NSC filed this lawsuit in Indiana state court against Ralph Vock, a former employee of the Company, in April 2000. The Amended Complaint alleges claims for breach of fiduciary duty, fraud, and related torts, all arising out of Vock's acceptance of improper payments from company suppliers. The parties are awaiting the Court's ruling on dispositive summary judgment motions. The parties have participated in a court-ordered mediation in Indiana. During the Period covered by this Application W&C engaged in document and deposition discovery, attended multiple out-of-state depositions of key witnesses, and spent time preparing summary judgment papers.

In connection with this matter, W&C expended 459.20 hours for which W&C seeks compensation of \$121,887.25. An itemized breakdown of the services rendered to the debtor is attached to each of the Interim and Monthly Fee Applications. A general breakdown is as follows:

<b>Attorney</b>	<b>Hours Worked</b>	<b>Bill Amount</b>
Paul Martin Wolff	10.50	\$6,275.00
David M. Zinn	70.85	\$24,941.00
Paul T. Hourihan	195.55	\$62,155.00
Matthew S. Amatruda	6.90	\$1,863.00
Jennifer G. Wicht	36.50	\$9,349.50
Heidi E. Murdy	26.10	\$6,443.50
<b>Paraprofessional</b>		
Alicia D. Julian	1.00	\$165.00
Caitlin S. Lietzan	.20	\$33.00
Jessica G. Skylar	5.00	\$415.00
Jessica R. Levin	6.70	\$536.00
Joshua A. Apfelroth	1.00	\$90.00
Katherine S. Boyd	14.45	\$1,156.00
Melissa A. Wicns	6.00	\$630.00
Megan K. Hall	42.20	\$4,471.50
Patricia A. Hennessy	2.75	\$371.25

Stephanie A. Winters	12.50	\$1,312.50
Timothy D. Swain	21.00	\$1,680.00
<b>Total</b>	<b>459.20</b>	<b>\$121,887.25</b>

3. **NSC v. Wood, et al.**

NSC filed this lawsuit in December 2001 in United States District Court for the Southern District of Florida against its former employee Rick Wood. The Complaint charged Wood with various torts for participating with Marbi, Inc. in the kickback scheme described above. During the Period covered by this Application, W&C engaged in discovery, participated in a court-ordered mediation, attended out-of-state depositions, prepared summary judgment papers, an expert report, and tried the case to verdict during an approximately week-long trial in federal court in Miami, Florida.

In connection with this matter, W&C expended 1074.90 hours for which W&C seeks compensation of \$286,787.00. An itemized breakdown of the services rendered to the debtor is attached to each of the Interim and Monthly Fee Applications. A general breakdown is as follows:

<b>Attorney</b>	<b>Hours Worked</b>	<b>Bill Amount</b>
Paul M. Wolff	6.00	\$3,500.00
David M. Zinn	17.60	\$6,275.50
Paul T. Hourihan	368.05	\$124,521.00
Matthew S. Amatruda	75.30	\$20,331.00
Jennifer G. Wicht	256.30	\$74,218.50
Heidi E. Murdy	138.80	\$34,694.00
<b>Paraprofessional</b>		
Courtney S. Brown	2.20	\$264.00
Joshua A. Apfelroth	39.25	\$3,532.50
Jessica G. Skylar	17.00	\$1,530.00
Katherine A. Morrison	1.70	\$255.00
Katherine S. Boyd	17.10	\$1,539.00
Megan K. Hall	119.00	\$13,999.50
Patricia A. Hennessy	2.90	\$432.00
Timothy D. Swain	9.50	\$855.00

Voicu T. Cojan	4.20	\$840.00
<b>Total</b>	<b>1074.90</b>	<b>\$286,787.00</b>

4. **Spectra v. NSC; NSC v. Spectra, et al.**

Spectra, a former vendor of NSC, filed suit against NSC in November 2000, claiming the right to payment for materials delivered to the Company. NSC defended the matter by claiming the contract was procured by fraud and bribery and filed counterclaims against Spectra and its owner, Louis Huber, for orchestrating a kickback scheme to facilitate business with NSC. NSC also filed claims in this matter against, William Wadlow, a former employee of NSC, for participating in the kickback scheme. NSC has recently settled the case with Spectra/Huber, receiving a payment of \$1 million, which this Court approved.

During the Period covered by this Application, W&C spent time engaging in extensive discovery, prepared litigation expert reports, took and defended numerous depositions (all out-of-state), engaged in extensive motions practice (including defending against five summary judgment motions), and prepared the case for trial.

In connection with this matter, W&C expended 3161.80 hours for which W&C seeks compensation of \$709,267.55. An itemized breakdown of the services rendered to the debtor is attached to each of the Interim and Monthly Fee Applications. A general breakdown is as follows:

<b>Attorney</b>	<b>Hours Worked</b>	<b>Bill Amount</b>
Paul Martin Wolff	47.00	\$27,510.00
David M. Zinn	362.20	\$131,141.50
Paul T. Hourihan	744.30	\$237,230.00
Matthew S. Amatruda	108.45	\$29,281.50
Jennifer G. Wicht	129.10	\$35,822.00
Heidi E. Murdy	681.50	\$145,721.55
<b>Paraprofessional</b>		
Alicia D. Julian	.20	\$35.00

Catherine K. Dunn	10.20	\$816.00
Christina M. Liu	36.80	\$2,969.00
Courtney S. Brown	4.70	\$564.00
David J. Dugan	83.00	\$6,640.00
Dungamon Muttamara	59.90	\$4,792.00
Emily M. Gulick	1.90	\$171.00
Garland N. Lewis	8.50	\$1,065.00
Geoffrey H. Simpson	12.70	\$1,016.00
Godwin F. Owinje	8.50	\$680.00
Joshua A. Apfelroth	55.50	\$4,995.00
Jessica G. Skylar	93.50	\$8,232.00
Katherine A. Morrison	2.20	\$297.00
Katherine S. Boyd	80.05	\$6,879.50
Maureen F. Connolly	101.30	\$8,104.00
Megan K. Hall	382.80	\$42,481.50
Melissa A. Wiens	7.50	\$787.50
Mirko A. Pefaurc	29.20	\$3,650.00
Patricia A. Hennessy	3.25	\$438.75
Patrick T. Markey	8.00	\$1,400.00
Rotolu Adebisi	35.50	\$2,840.00
Rhonda G. Carter	1.50	\$202.50
Stephanic A. Winters	3.85	\$404.25
Steven D. Weber	5.50	\$440.00
Timothy D. Swain	53.20	\$4,661.00
<b>Total</b>	<b>3161.80</b>	<b>\$709,267.55</b>

**5. William T. Wadlow**

NSC filed this lawsuit against Wadlow, a former employee, in the United States District Court for the Southern District of Illinois. The Complaint alleges violations of the Robinson-Patman Act, commercial bribery, and related torts – all arising out of Wadlow's acceptance of kickbacks from two NSC suppliers. During this period, W&C prepare its statement pursuant to Fed.R.Civ.P. 26, prepared written discovery requests, and drafted discovery-related motions.

In connection with this matter, W&C expended 52.80 hours for which W&C seeks compensation of \$14,696.00. An itemized breakdown of the services rendered to the



debtor is attached to each of the Interim and Monthly Fee Applications. A general breakdown is as follows:

<b>Attorney</b>	<b>Hours Worked</b>	<b>Bill Amount</b>
Paul M. Wolff	.50	\$325.00
David M. Zinn	2.30	\$815.50
Paul T. Hourihan	13.30	\$4,482.00
Jennifer G. Wicht	7.10	\$1,982.00
Heidi E. Murdy	26.10	\$6,655.50
<b>Paraprofessional</b>		
Ellen S. Feldman	.20	\$40.00
Megan K. Hall	3.30	\$396.00
<b>Total</b>	<b>52.80</b>	<b>\$14,696.00</b>

#### **6. Rosborough**

NSC filed this lawsuit against Rosborough and related individuals on March 28, 2003, charging them with RICO, fraud, and related claims in connection with a bribery scheme perpetrated against NSC. During the period covered by this application, W&C prepared the complaint, responded to plaintiff's motion to dismiss, prepared discovery requests and responses to discovery requests, litigated various discovery issues (including preparing papers to seek necessary discovery in England), and reviewed documents.

In connection with this matter, W&C expended 684.95 hours for which W&C seeks compensation of \$114,745.75. An itemized breakdown of the services rendered to the debtor is attached to each of the Interim and Monthly Fee Applications. A general breakdown is as follows:

<b>Attorney</b>	<b>Hours Worked</b>	<b>Bill Amount</b>
Paul M. Wolff	2.00	\$1,300.00
David M. Zinn	10.30	\$3,965.50
Paul T. Hourihan	42.90	\$14,586.00
Jennifer G. Wicht	148.30	\$43,007.00

Heidi E. Murdy	57.90	\$10,764.50
<b>Paraprofessional</b>		
Alicia D. Julian	.20	\$35.00
Andrew T. George	22.50	\$2,587.50
Caitlin S. Lietzan	2.70	\$513.00
Christina M. Liu	140.70	\$12,663.00
David E. Rosen	19.50	\$1,755.00
Emily M. Gulick	23.70	\$2,133.00
Jessica G. Skylar	1.50	\$135.00
Jared M. Okun	99.00	\$7,910.00
Mary E. Steed	51.75	\$5,951.25
Megan K. Hall	62.00	\$7,740.00
<b>Total</b>	<b>684.95</b>	<b>\$114,745.75</b>

#### 7. Grand Jury Matter

The United States Attorney's Office for the Southern District of Illinois, along with the FBI and IRS, has conducted a federal criminal grand jury investigation of the kickback schemes that are the subject of NSC's various litigation matters. W&C has represented the Company in connection with this investigation, and had coordinated all communications between the government and the Company. During the time period covered by the Application, W&C lawyers spoke and met regularly with prosecutors and agents on matters related to the investigation. W&C also represented the Company in multiple meetings between the government and employees of the Company. W&C further assisted NSC in responding to numerous government requests for information and access to witnesses, made in connection with the criminal trial of Louis Huber, which began at the conclusion of July 2002. W&C also appeared before the criminal court, in an effort to prevent the defendant from obtaining privileged materials belonging to the Company. This involved briefing the issues and appearing in person before the U.S. District Court for the Southern District of Illinois.

In connection with this matter, W&C expended 419.95 hours for which W&C seeks compensation of \$112,291.00. An itemized breakdown of the services rendered to the

debtor is attached to each of the Interim and Monthly Fee Applications. A general breakdown is as follows:

<b>Attorney</b>	<b>Hours Worked</b>	<b>Bill Amount</b>
David M. Zinn	167.75	\$58,712.50
Paul T. Hourihan	68.60	\$20,580.00
Matthew S. Amatruda	37.20	\$10,044.00
Heidi E. Murdy	75.40	\$16,211.00
<b>Paraprofessional</b>		
Catherine K. Dunn	1.50	\$120.00
Christina M. Liu	11.20	\$896.00
Maureen F. Connolly	15.00	\$1,200.00
Megan K. Hall	36.60	\$3,843.00
Patricia A. Hennessy	2.70	\$364.50
Timothy D. Swain	4.00	\$320.00
<b>Total</b>	<b>419.95</b>	<b>\$112,291.00</b>

#### **8. Other Potential Kickback Matters**

W&C has also worked with NSC in developing other similar potential cases, arising out of payments by other NSC suppliers to Company employees. During the Period covered by this Application, W&C negotiated and resolved one such potential matter, which settlement was approved by this Court. This work has been described in general terms in the underlying monthly statements, so as to preserve the confidentiality of these matters.

In connection with these matters, W&C expended 151.35 hours for which W&C seeks compensation of \$49,473.50. An itemized breakdown of the services rendered to the debtor is attached to each of the Interim and Monthly Fee Applications. A general breakdown is as follows:

<b>Attorney</b>	<b>Hours Worked</b>	<b>Bill Amount</b>
Paul Martin Wolff	8.50	\$4,675.00
Jerry L. Shulman	.50	\$275.00
Philip J. Ward	1.25	\$562.50
David M. Zinn	72.70	\$25,445.00

Paul T. Hourihan	43.60	\$13,080.00
Jennifer G. Wicht	2.60	\$663.00
Heidi E. Murdy	22.20	\$4,773.00
<b>Total</b>	<b>151.35</b>	<b>\$49,473.50</b>

**9. Miscellaneous**

W&C also dedicated time and effort to various miscellaneous tasks that did not fall under any of the matter numbers described above. This included preparing applications for this Court and preparing for our client a comprehensive report on the status of all litigation.

In connection with this, W&C expended 201.65 hours for which W&C seeks compensation of \$52,414.00. An itemized breakdown of the services rendered to the debtor is attached to each of the Interim and Monthly Fee Applications. A general breakdown is as follows:

<b>Attorney</b>	<b>Hours Worked</b>	<b>Bill Amount</b>
Paul M. Wolff	5.00	\$3,250.00
David M. Zinn	43.00	\$15,722.00
Paul T. Hourihan	72.35	\$23,455.00
Jennifer G. Wicht	7.60	\$2,092.00
Heidi E. Murdy	.50	\$127.50
<b>Paraprofessional</b>		
Carl A. Schimke	2.50	\$437.50
Joshua A. Apfelroth	6.50	\$585.00
Jessica G. Skylar	15.50	\$1,297.50
Katherine S. Boyd	6.75	\$550.00
Megan K. Hall	35.80	\$4,117.50
Patricia A. Hennessy	1.40	\$210.00
Stephanie A. Winters	4.75	\$570.00
<b>Total</b>	<b>201.65</b>	<b>\$52,414.00</b>

\* \* \* \* \*

In light of the sensitive nature of the above matters and in light of the fact that there is a related, ongoing federal criminal investigation, W&C's statements have not always

identified the names of witnesses involved in meetings or the details of meetings. This is out of concern that such identification would harm NSC's and the government's investigations by alerting the subjects of those investigations to the precise scope of the work performed. W&C is prepared to respond to the Court in camera in the event that the Court has questions on particular entries.

**D. Statement of Expenses**

W&C has expended the total amount of \$424,127.75<sup>2</sup> in actual, reasonable and necessary expenses in connection with representing National Steel Corporation during the Total Compensation Period for which it is seeking final approval of reimbursement. W&C maintains records of all actual and necessary expenses incurred in connection with the performance of professional services. A summary of the amounts and categories of expenses for which reimbursement is sought, and an itemized report organized by category of expense, detailing the date the expense was incurred, the charge, and the individual incurring the expense, are attached to each of the Interim and Monthly Fee Applications on file with the Court. A general breakdown by matter is as follows:

Marbi:	\$53,311.25 <sup>3</sup>
Vock:	\$18,026.95
Wood:	\$82,076.37 <sup>3</sup>
Spectra:	\$240,025.03 <sup>3</sup>
Wadlow:	\$1,397.05
Rosborough:	\$7,341.85
Grand Jury Matter:	\$17,734.37

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<sup>2</sup> This amount is net of any reductions in expenses from the first three interim applications based on the fees awarded by the Court and is also net of a \$1,516.57 reduction made in connection with the Amended Fourth Interim Fee Application.

<sup>3</sup> A large portion of these expenses relate to two areas: (1) professional expert witness fees (more than \$195,000.00) and (2) travel-related expenses for dozens of out-of state depositions, court appearances, and meetings with the client and federal prosecutors.

Potential Kickback Matters: \$4,069.89  
Miscellaneous: \$4,076.22

In connection with the reimbursement of actual, reasonable and necessary expenses, it is W&C's policy to charge its clients in all areas of practice for expense, other than fixed and routine overhead expenses, incurred in connection with representing its clients. The expenses charged to W&C's clients include, among other things, telephone charges, mail and express mail charges, special or hand delivery charges, photocopying charges (fifteen cents per page, excluding any color copies), out-of-town travel expenses, local transportation expenses, expenses for working meals, computerized research, and transcription costs.

In accordance with section 330 of the Bankruptcy Code and with the U.S. Trustee Guidelines, W&C seeks reimbursement only for the actual cost of such expenses to W&C. Throughout the Total Compensation Period, W&C has been keenly aware of cost considerations and has tried to minimize the expenses charged to the Debtors' estates.

#### **E. Applicable Law**

Code Section 330 provides, in relevant part:

After notice . . . the court may award to . . . a professional person employed under section 327 or 1103 of this title . . .

- (1) reasonable compensation for actual, necessary services rendered by such . . . attorney . . . based on the nature, the 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; . . . .

Bankruptcy courts have utilized different approaches in applying these statutory guidelines in their analyses of compensation requests in cases under the Code. Some courts use the traditional approach of applying the twelve (12) criteria first enunciated in the civil rights case of Johnson v. Georgia Highway Express, 488 F.2d 714 (5th Cir. 1974), and first adopted for

bankruptcy cases in In re First Colonial Corp. of America, 544 F.2d 1291 (5th Cir. 1977). See, e.g., In re Four Star Terminals, Inc., 42 B.R. 419, 430-31 n.6 (Bankr. D. Alaska 1984) and cases cited therein. Other courts have increasingly begun using a lodestar analysis. In re Boston & Maine Corp., 776 F.2d 2 (1st Cir. 1985); In re Casco Bay Lines, Inc., 25 B.R. 747 (B.A.P. 1st Cir. 1982); In re Elmendorf Bd. Corp., 57 B.R. 580 (Bankr. D.N.H. 1986); In re Sapolin Paints, Inc., 38 B.R. 807 (Bankr. E.D.N.Y. 1984). The Fifth Circuit has employed both the Johnson standard and the lodestar analysis. See, e.g., In re Lawler, 807 F.2d 1207 (5th Cir. 1987), a method approved by the United States Supreme Court in Pennsylvania v. Delaware Valley Citizens' Council for Clean Air, 478 U.S. 546 (1986).

Factors involved in the lodestar analysis include: (1) the novelty and complexity of the issues of the case; (2) the extent of the assets and liabilities of the estate; (3) the skill, reputation and experience of the applicant; (4) time limitations imposed upon the applicant by the circumstances; (5) the extent of any duplication of services; (6) the delay of the receipt of payment by the applicant; (7) whether the applicant's fee is fixed or contingent; (8) the quality of the applicant's services; (9) the amount of services the applicant has rendered in the case; (10) whether the services provided precluded the applicant from becoming employed in other matters; and, (11) the cost of comparable services in the legal community.

These factors are similar to the criteria set forth in the American Bar Association Code of Professional Responsibility regarding the reasonableness of compensation for professional services. See ABA Model Rule 1.5, adopted August of 1983, and Official Comments thereto. See also Strama v. Peterson, 689 F.2d 661 (7th Cir. 1982) (civil rights case endorsing the ABA Model Rule guidelines).

Regardless of the significance of certain individual factors in determining the value of professional services, the Court should primarily focus its attention upon the reasonableness of the services provided to the estate. As the First Circuit Court of Appeals stated in holding that a district court's reduction of requested compensation was an abuse of discretion in a case under the former Bankruptcy Act:<sup>4</sup>

[I]t is important for a court to maintain a sense of overall proportion and not become enmeshed in meticulous analysis of every detailed facet of the professional representation. It is easy to speculate that the work could have been done in less time or with fewer attorneys or with an associate rather than a partner. On the other hand, it is also possible that [the debtor] would not have enjoyed the success it did had its counsel managed matters differently.

In re Boston & Maine Corp., 776 F.2d at 10 (internal quotations and citations omitted).

Applying these standards to this request, the fees and expenses sought should be awarded.

**Services Performed:** The cases described above are complex fraud cases, involving litigation in multiple jurisdictions throughout the country. The cases have required detailed fact discovery, including tracing alleged kickback payments through dummy corporations and interlocking bank accounts (some outside of the United States). W&C has served subpoenas on dozens of financial institutions, and collected tens of thousands of documents, in order to trace the financial trail of fraud against the Company. W&C has contacted dozens of witnesses. W&C has engaged in extensive motions practice, including

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<sup>4</sup> Unlike the provisions of 11 U.S.C. §330(a) applicable to this case which state that compensation shall be based upon the cost of comparable services in a non-bankruptcy matter, the former Bankruptcy Act required the use of "economy" in awarding attorneys' fees. (In re First Colonial Corp. of America, 544 F.2d 1291, 1299 (5th Cir. 1977) (stating that the court "should award an amount which is at the lower end of the spectrum of reasonableness" (internal quotation omitted))). No such restraints govern compensation in cases under the Bankruptcy Code.



multiple dispositive summary judgment motions on complex fraud questions. Additionally, W&C has tried one case to verdict. The amount of work performed by W&C is reasonable in light of the complexity of the issues, the number of witnesses and documents involved, the scope of the various kickback schemes, and defendants' efforts to prevent the discovery of these schemes. W&C has allocated substantial work to associates and paralegals, where appropriate, to minimize costs.

**Benefit to the Estate:** The civil kickback cases have been of great financial benefit to the estate. Already, W&C, on behalf of the Company, has settled four matters – valued at more than \$7 million. W&C has obtained a default judgment for \$36,421,401.17 against other parties. Additionally, W&C has coordinated NSC's assistance to federal prosecutors, whose investigations have resulted in two individuals entering felony pleas in the Southern District of Illinois.

**Experience and Expertise of the Applicants:** W&C has substantial experience in significant commercial civil litigation and white collar criminal litigation matters. The law firm has charged the estate its normal and customary hourly rates for this engagement. W&C has been handling these matters for more than three years. These rates are comparable to the rates charged by other national practitioners of similar experience, competence, and standing.

In light of the complexity and sensitivity of the cases, and the results achieved to date, W&C submits that its hourly rates for which compensation is sought are reasonable and appropriate.

**F. Statement of Legal Services and Expenses Pursuant to 11 U.S.C. § 504 and Rule 2016(b) of the Rules of Bankruptcy Procedure**

All of the services performed by W&C were required for the proper representation of NSC. Pursuant to Bankruptcy Code Section 331, and the generally applicable criteria of the time, nature, extent, and value of the service performed, all of W&C's services are compensable. The rates at which W&C seeks compensation are its usual and customary hourly rates charged to clients of the firm. No agreement exists between W&C and any third person for the sharing of compensation received by W&C, except as allowed by the exception set forth in the Bankruptcy Code Section 504 and Bankruptcy Rule 2016 with respect to the sharing of compensation among members of W&C.

From March 6, 2003 through and including December 19, 2003, W&C devoted 6,529.55 hours to represent NSC in the matters described above, and has provided the estate with actual and necessary legal services worth a total of \$1,530,186.30, and has incurred expenses totaling \$424,127.75.

WHEREFORE, W&C, respectfully requests the Court to enter an order, substantially in the form attached hereto as Exhibit A, (i) approving and allowing W&C on a final basis compensation in the amount of \$1,530,186.30 for actual, reasonable and necessary professional services rendered and reimbursement of \$424,127.75 for actual, reasonable and necessary expenses incurred during the Total Compensation Period, and authorizing and directing the Debtors to pay to W&C the amount equal to the sum of such allowed compensation

and expense reimbursement less the amount previously received by W&C on account of its Fee Applications; and (iii) granting such further relief as is just.

Dated: January 27, 2004

Respectfully Submitted,

**WILLIAMS & CONNOLLY LLP,  
Counsel to National Steel Corporation**

By: 

\_\_\_\_\_  
David M. Zinn

**EXHIBIT A**

**Invoice for December 1, 2003-December 19, 2003**

LAW OFFICES  
WILLIAMS & CONNOLLY LLP

125 TWELFTH STREET, N.W.  
WASHINGTON, D. C. 20005-5901  
(202) 434-5000  
FAX (202) 434-5029

January 27, 2004

Kirk A. Sobecki  
President  
National Steel Corporation  
4100 Edison Lakes Parkway  
Mishawaka, IN 46545-3440

Invoice No. 169015

<u>MATTER</u>	<u>FEES</u>	<u>EXPENSES</u>	<u>TOTAL*</u>
MISCELLANEOUS	1099.00	1086.93	\$2,185.93
VOCK	102.00	252.20	\$354.20
SPECTRA	2470.50	29.87	\$2,500.37
WADLOW, WILLIAM T.	4540.00	103.13	\$4,643.13
ROSSBOROUGH	31123.00	4083.34	\$35,206.34
Grand Total	39334.50	5555.47	\$44,889.97
Total Amount Due			\$44,889.97 =====

\*\*\*\*\* Please refer to Invoice No.169015 when submitting \*\*\*\*\*  
payment to insure proper credit to your account.

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0003  
INVOICE NO. 169015  
Jan 27, 2004

National Steel  
4100 Edison Lakes Parkway  
Mishawaka, IN 46545

Re: MISCELLANEOUS  
Matter No. 41136.0003

For Professional Services Rendered through December 31, 2003

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Professional Fees		\$1,099.00
Out-of-Pocket Expenses	1,086.93	
	-----	
Total Out-of-Pocket Expenses		\$1,086.93
		-----
Total Amount of Fees and Expenses for the Period		\$2,185.93
		-----
TOTAL AMOUNT DUE		\$2,185.93
		=====

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0003  
INVOICE NO. 169015  
Jan 27, 2004

Matter No. 41136.0003 MISCELLANEOUS

DATE	TIMEKEEPER	DESCRIPTION	HOURS BILLED	AMOUNT BILLED
12/05/03	D. M. ZINN	Prepare monthly bankruptcy court submission.	0.50	192.50
12/08/03	P. T. HOURIHAN	Draft revised fee application.	1.80	612.00
12/18/03	D. M. ZINN	Tel to Tom Daly; review correspondence re: settlement.	0.50	192.50
12/19/03	P. T. HOURIHAN	E-mail correspondence w/ NSC bankruptcy counsel re Spectra settlement.	0.30	102.00
Totals:			3.10	1,099.00

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0003  
INVOICE NO. 169015  
Jan 27, 2004

Matter No. 41136.0003 MISCELLANEOUS

COST SUMMARY

COST DESCRIPTION	AMOUNT
-----	-----
Telephone	19.02
Printing and Copying	1,067.91
TOTAL	1,086.93



NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0003  
INVOICE NO. 169015  
Jan 27, 2004

DATE	TIMEKEEPER	EXPLANATION CHECK #/VENDOR NAME	AMOUNT
10/31/03	P. M. WOLFF	Telephone	2.26
12/01/03	WILLIAMS & CONNOLLY	Telephone	14.43
12/01/03	WILLIAMS & CONNOLLY	Telephone	2.33
12/19/03	D. M. ZINN	Copying Charges - - VENDOR: JON OFFICE SOLUTIONS 237824	1,067.91
		TOTAL DISBURSEMENTS	1,086.93

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0004  
INVOICE NO. 169015  
Jan 27, 2004

Kirk A. Sobecki  
President  
National Steel Corporation  
4100 Edison Lakes Parkway  
Mishawaka, IN 46545-3440

Re: **VOCK**  
**Matter No. 41136.0004**

For Professional Services Rendered through December 31, 2003

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Professional Fees		\$102.00
Out-of-Pocket Expenses	252.20	
	-----	
Total Out-of-Pocket Expenses		\$252.20
		-----
Total Amount of Fees and Expenses for the Period		\$354.20
		-----
TOTAL AMOUNT DUE		\$354.20
		=====

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0004  
INVOICE NO. 169015  
Jan 27, 2004

Matter No. 41136.0004      VOCK

DATE	TIMEKEEPER	DESCRIPTION	HOURS BILLED	AMOUNT BILLED
12/01/03	P. T. HOURIHAN	Teleconference to J. Simeri re mediation.	0.10	34.00
12/02/03	P. T. HOURIHAN	Teleconference w/ mediator; e-mail to client re same.	0.20	68.00
Totals:			0.30	102.00

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0004  
INVOICE NO. 169015  
Jan 27, 2004

Matter No. 41136.0004    VOCK

COST SUMMARY

COST DESCRIPTION	AMOUNT
-----	-----
Federal Express	37.45
Hotel	110.88
Meals	37.90
Telephone	3.97
Travel	62.00
TOTAL	252.20

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0004  
INVOICE NO. 169015  
Jan 27, 2004

DATE	TIMEKEEPER	EXPLANATION CHECK #/VENDOR NAME	AMOUNT
10/10/03	P. T. HOURIHAN	Fedex Shipper JOSEPH V. SIMERI Inv# 492511526 Tracking# 642927379040 236930	37.45
11/11/03	P. T. HOURIHAN	Cab fare for P. Hourihan from W&C LLP to Reagan National Airport for trip to South Bend, IN. 238418	14.00
11/11/03	P. T. HOURIHAN	Cab fare for P. Hourihan from South Bend airport to hotel. 238418	14.00
11/11/03	P. T. HOURIHAN	Hotel accommodations for P. Hourihan in South Bend, IN for mediation. 238418	110.88
11/11/03	P. T. HOURIHAN	Hotel meals 238418	22.16
11/12/03	P. T. HOURIHAN	Cab fare for P. Hourihan from hotel to airport in South Bend, IN. 238418	14.00
11/12/03	P. T. HOURIHAN	Dinner for P. Hourihan at Detroit airport en route to Washington, DC from South Bend, IN. 238418	15.74
11/12/03	P. T. HOURIHAN	Cab fare for P. Hourihan from Reagan National Airport to NW, DC en route from South Bend, IN. 238418	20.00
11/30/03	P. T. HOURIHAN	Telephone	3.50
12/01/03	WILLIAMS & CONNOLLY	Telephone	0.47
TOTAL DISBURSEMENTS			252.20

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0005  
INVOICE NO. 169015  
Jan 27, 2004

Kirk A. Sobecki  
President  
National Steel Corporation  
4100 Edison Lakes Parkway  
Mishawaka, IN 46545-3440

Re: **SPECTRA**  
**Matter No. 41136.0005**

For Professional Services Rendered through December 31, 2003

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Professional Fees		\$2,470.50
Out-of-Pocket Expenses	29.87	
	-----	
Total Out-of-Pocket Expenses		\$29.87
		-----
Total Amount of Fees and Expenses for the Period		\$2,500.37
		-----
TOTAL AMOUNT DUE		\$2,500.37
		=====

NATIONAL STEEL CORPORATION  
 MATTER NO. 41136.0005  
 INVOICE NO. 169015  
 Jan 27, 2004

Matter No. 41136.0005 SPECTRA

DATE	TIMEKEEPER	DESCRIPTION	HOURS BILLED	AMOUNT BILLED
12/01/03	D. M. ZINN	Review settlement; m/w Paul Hourihan re: same.	0.50	192.50
12/01/03	P. T. HOURIHAN	Meeting w/ D. Zinn re settlement agreement; revise same.	1.00	340.00
12/02/03	P. T. HOURIHAN	Teleconference w/ bankruptcy counsel re settlement agreement.	0.20	68.00
12/02/03	P. T. HOURIHAN	Revise and transmit settlement agreement; e-mail to client re same.	0.50	170.00
12/03/03	P. T. HOURIHAN	Revise settlement agreement; teleconference w/ bankruptcy counsel re same; e-mail to defense counsel re same.	1.60	544.00
12/04/03	P. T. HOURIHAN	Revise settlement agreement; teleconference w/ defense counsel re same.	1.00	340.00
12/05/03	P. T. HOURIHAN	Revise and transmit settlement agreement.	1.20	408.00
12/08/03	P. T. HOURIHAN	Revise settlement agreement.	0.20	68.00
12/10/03	P. T. HOURIHAN	E-mail correspondence re settlement.	0.20	68.00
12/10/03	P. T. HOURIHAN	Teleconferences w/ D. Helfrey re settlement.	0.30	102.00
12/11/03	P. T. HOURIHAN	Revise and transmit settlement agreement; teleconference w/ Helfrey re same; e-mail re same.	0.50	170.00
Totals:			7.20	2,470.50

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0005  
INVOICE NO. 169015  
Jan 27, 2004

Matter No. 41136.0005    SPECTRA

COST SUMMARY

COST DESCRIPTION	AMOUNT
-----	-----
Telephone	25.22
Printing and Copying	4.65
TOTAL	29.87



NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0005  
INVOICE NO. 169015  
Jan 27, 2004

DATE	TIMEKEEPER	EXPLANATION CHECK #/VENDOR NAME	AMOUNT
11/30/03	D. M. ZINN	Telephone	1.01
12/01/03	WILLIAMS & CONNOLLY	Telephone	24.21
12/17/03	WILLIAMS & CONNOLLY	Photocopy	4.65
TOTAL DISBURSEMENTS			29.87

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0010  
INVOICE NO. 169015  
Jan 27, 2004

Kirk A. Sobecki  
President  
National Steel Corporation  
4100 Edison Lakes Parkway  
Mishawaka, IN 46545-3440

Re: WADLOW, WILLIAM T.  
Matter No. 41136.0010

For Professional Services Rendered through December 31, 2003

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Professional Fees		\$4,540.00
Out-of-Pocket Expenses	103.13	
	-----	
Total Out-of-Pocket Expenses		\$103.13
		-----
Total Amount of Fees and Expenses for the Period		\$4,643.13
		-----
TOTAL AMOUNT DUE		\$4,643.13
		=====

NATIONAL STEEL CORPORATION  
 MATTER NO. 41136.0010  
 INVOICE NO. 169015  
 Jan 27, 2004

Matter No. 41136.0010 WADLOW, WILLIAM T.

DATE	TIMEKEEPER	DESCRIPTION	HOURS BILLED	AMOUNT BILLED
12/01/03	H. E. MURDY	Deposition preparation for William Wadlow.	1.00	255.00
12/01/03	P. T. HOURIHAN	Teleconference w/ HEM re upcoming deposition.	0.10	34.00
12/02/03	H. E. MURDY	Preparation for deposition of William Wadlow.	3.00	765.00
12/02/03	H. E. MURDY	Motion to Compel.	2.30	586.50
12/02/03	P. T. HOURIHAN	Teleconference w/ Wadlow re status, deposition, settlement; teleconference w/ H. Murdy re same; e-mail to client re same.	0.50	170.00
12/03/03	H. E. MURDY	Motion to Compel and exhibits distributed.	0.50	127.50
12/03/03	M. K. HALL	Per H. Murdy: review documents re Wadlow.	1.50	180.00
12/05/03	D. M. ZINN	Review affidavit; tel. to Paul Hourihan re: possible settlement.	0.30	115.50
12/05/03	P. T. HOURIHAN	Teleconference w/ Wadlow re settlement; review faxed affidavit re same.	1.10	374.00
12/08/03	P. T. HOURIHAN	Teleconference w/ Wadlow re settlement.	0.30	102.00
12/08/03	P. T. HOURIHAN	Research re Wadlow finances.	1.20	408.00
12/09/03	P. M. WOLFF	Review pleading	0.50	325.00
12/09/03	P. T. HOURIHAN	Review Wadlow financial information.	0.50	170.00
12/09/03	M. K. HALL	Per P. Hourihan: research re Wadlow's net worth.	1.00	120.00
12/11/03	P. T. HOURIHAN	E-mail to team re status.	0.20	68.00
12/16/03	H. E. MURDY	Research / draft / send Motion for Reconsideration.	1.30	331.50
12/16/03	P. T. HOURIHAN	Teleconferences and e-mail correspondence w/ HEM re motions to compel; review and revise pleading re same.	1.20	408.00
Totals:			16.50	4,540.00

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0010  
INVOICE NO. 169015  
Jan 27, 2004

Matter No. 41136.0010 WADLOW, WILLIAM T.

COST SUMMARY

COST DESCRIPTION	AMOUNT
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Telephone	15.83
Printing and Copying	87.30
TOTAL	103.13

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0010  
INVOICE NO. 169015  
Jan 27, 2004

DATE	TIMEKEEPER	EXPLANATION CHECK #/VENDOR NAME	AMOUNT
12/01/03	WILLIAMS & CONNOLLY	Telephone	15.83
12/03/03	WILLIAMS & CONNOLLY	Photocopy	87.30
TOTAL DISBURSEMENTS			103.13

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0011  
INVOICE NO. 169015  
Jan 27, 2004

Kirk A. Sobecki  
President  
National Steel Corporation  
4100 Edison Lakes Parkway  
Mishawaka, IN 46545-3440

Re: **ROSSBOROUGH**  
Matter No. **41136.0011**

For Professional Services Rendered through December 31, 2003

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Professional Fees		\$31,123.00
Out-of-Pocket Expenses	4,083.34	-----
Total Out-of-Pocket Expenses		\$4,083.34
Total Amount of Fees and Expenses for the Period		----- \$35,206.34
TOTAL AMOUNT DUE		----- \$35,206.34 =====

NATIONAL STEEL CORPORATION  
MATTER NO. 41136.0011  
INVOICE NO. 169015  
Jan 27, 2004

Matter No. 41136.0011 ROSSBOROUGH

DATE	TIMEKEEPER	DESCRIPTION	HOURS BILLED	AMOUNT BILLED
12/01/03	J. G. WICHT	Draft discovery responses and review documents for same.	1.70	493.00
12/01/03	J. G. WICHT	Prepare for and travel to 30(b)(6) deposition.	4.40	1,276.00
12/01/03	A. T. GEORGE	Per J. Wicht: Review National Steel documents.	5.50	632.50
12/01/03	M. E. STEED	Per M. Hall: Document review of National Steel docs.	7.50	862.50
12/01/03	M. K. HALL	Per J. Wicht: Review NS production for documents responsive to Rossborough document requests.	7.20	864.00
12/01/03	D. E. ROSEN	Per J. Wicht: Review National Steel documents.	7.50	675.00
12/01/03	E. M. GULICK	Per J. Wicht: Review National Steel documents.	3.70	333.00
12/02/03	D. M. ZINN	Review Court Order.	0.30	115.50
12/02/03	P. T. HOURIHAN	Research/draft reply.	4.90	1,666.00
12/02/03	A. T. GEORGE	Per J. Wicht: Review National Steel documents.	5.00	575.00
12/02/03	M. E. STEED	Per M. Hall: Document review of National Steel documents.	4.00	460.00
12/02/03	M. K. HALL	Per J. Wicht: Prepare documents for Rossborough document production.	6.00	720.00
12/02/03	D. E. ROSEN	Per J. Wicht: Review National Steel documents.	4.50	405.00
12/02/03	E. M. GULICK	Per J. Wicht: Review National Steel documents.	1.70	153.00
12/03/03	J. G. WICHT	Review documents for production.	2.90	841.00
12/03/03	J. G. WICHT	Draft protective order.	1.10	319.00
12/03/03	P. T. HOURIHAN	Research/draft reply brief on motion to compel.	2.30	782.00
12/03/03	P. T. HOURIHAN	Review draft protective order; e-mail re same.	0.40	136.00
12/03/03	M. E. STEED	Per M Hall; Document review of National Steel documents.	4.00	460.00

NATIONAL STEEL CORPORATION  
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12/03/03	M. K. HALL	Per J. Wicht: Review and prepare NSC Rossborough documents for production.	4.50	540.00
12/03/03	E. M. GULICK	Per M. Hall: Organize production.	0.70	63.00
12/04/03	J. G. WICHT	Revise protective order draft; revise discovery responses; review reply brief on Motion to Compel.	3.30	957.00
12/04/03	P. T. HOURIHAN	Review/revise discovery requests.	2.20	748.00
12/04/03	P. T. HOURIHAN	Draft reply brief for motion to compel.	2.30	782.00
12/04/03	M. K. HALL	Per J. Wicht: Review response to document requests.	0.70	84.00
12/04/03	M. K. HALL	Per J. Wicht: Review NSC documents.	5.20	624.00
12/04/03	E. M. GULICK	Per M. Hall: Prepare NSC Rossborough production.	3.50	315.00
12/05/03	D. M. ZINN	Review draft discovery; m/w Paul Hourihan and Jen Wicht re: status/strategy.	2.00	770.00
12/05/03	J. G. WICHT	Revise discovery responses; telecon re: production of documents; team meeting re: discovery plan; review documents for production.	6.30	1,827.00
12/05/03	P. T. HOURIHAN	Team meeting.	0.70	238.00
12/05/03	P. T. HOURIHAN	Review/revise discovery responses.	2.80	952.00
12/05/03	M. E. STEED	Per M. Hall: prepared and organized deposition documents and exhibits.	2.00	230.00
12/05/03	M. K. HALL	Per J. Wicht: review exhibits.	1.50	180.00
12/05/03	M. K. HALL	Per J. Wicht: Meet with E. Gulick re confidential/non confidential document project.	0.20	24.00
12/05/03	M. K. HALL	Per J. Wicht: review NS documents for confidential/non confidential to prepare for production.	3.70	444.00
12/05/03	E. M. GULICK	Per M. Hall: Organize NSC production; confidential and non-confidential documents; update master index.	4.20	378.00
12/06/03	J. G. WICHT	Revise discovery responses; draft discovery plan.	2.90	841.00



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12/08/03	J. G. WICHT	Revise discovery responses and serve responses and documents.	5.90	1,711.00
12/08/03	P. T. HOURIHAN	Review discovery responses.	1.30	442.00
12/08/03	M. K. HALL	Per J. Wicht: review document requests and finalize documents for production to Roseborough.	1.50	180.00
12/08/03	M. K. HALL	Per J. Wicht: prepare production to Roseborough.	1.50	180.00
12/08/03	E. M. GULJCK	Per M. Hall: Prepare and organize production; update production index.	0.70	63.00
12/09/03	P. T. HOURIHAN	Review discovery responses.	0.50	170.00
12/10/03	J. G. WICHT	Draft discovery plan; research re: calling former employees.	0.60	174.00
12/10/03	P. T. HOURIHAN	Review and comment on discovery plan.	0.40	136.00
12/10/03	P. T. HOURIHAN	Teleconference w/ E. Reid.	0.30	102.00
12/11/03	P. T. HOURIHAN	E-mail to team re status.	0.20	68.00
12/12/03	J. G. WICHT	Revise discovery plan and review proposed changes to protective order.	0.90	261.00
12/13/03	P. T. HOURIHAN	E-mail correspondence re discovery plan.	0.10	34.00
12/15/03	J. G. WICHT	Revise protective order; research re: foreign service of process; draft subpoena to Midland Bank.	4.00	1,160.00
12/15/03	P. T. HOURIHAN	E-mail correspondence w/ JGW re discovery issues.	0.20	68.00
12/15/03	P. T. HOURIHAN	Review subpoena to Midland Bank.	0.20	68.00
12/16/03	J. G. WICHT	Draft discovery requests; send out subpoena to Midland Bank.	1.00	290.00
12/16/03	C. S. LIETZAN	Per Wicht, determine where to serve a subpoena on Midland Bank PLC.	1.50	285.00
12/17/03	D. M. ZINN	Review discovery plan; staff meeting re: status.	0.50	192.50
12/17/03	J. G. WICHT	Discuss discovery plan with D. Zinn and P. Hourihan; telecon to NSC former employee/witness; revise second discovery requests; draft motion to modify scheduling order.	3.90	1,131.00

NATIONAL STEEL CORPORATION

MATTER NO. 41136.0011

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Jan 27, 2004

12/17/03	P. T. HOURIHAN	Team meeting re discovery strategy; review discovery plan.	0.50	170.00
12/17/03	P. T. HOURIHAN	Review/revise additional discovery requests; e-mail re same.	0.30	102.00
12/17/03	A. D. JULIAN	Per Jennifer Wicht, locate current address and phone for witnesses.	0.20	35.00
12/18/03	J. G. WICHT	Telecons to former NSC employee/witness; telecon with English counsel re: letters of request; finalize discovery requests and serve; telecons with Greiman and Boxerman.	4.50	1,305.00
12/18/03	P. T. HOURIHAN	Review and comment on motion for extension.	0.30	102.00
12/19/03	J. G. WICHT	Draft Letters of Request and correspondence with English counsel re: same; telecons with Boxerman re: document production, protective order and extension of deadlines; draft joint motion to extend discovery deadline.	3.20	928.00
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		Totals:	157.50	31,123.00