

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

In re:)	Chapter 11
)	
)	
OAKWOOD HOMES CORPORATION, et al.)	Case No. 02-13396 (JPW)
)	Jointly Administered
)	
Debtors)	Objection Due: June 28, 2004 @ 4:00 pm
)	Hearing Date: October 8, 2004 @ 1:30 pm

**FINAL APPLICATION OF DELOITTE & TOUCHE LLP AS FINANCIAL ADVISORS
TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR THE
ALLOWANCE OF FINAL COMPENSATION FOR ACTUAL, REASONABLE AND
NECESSARY SERVICES RENDERED AND FOR FINAL REIMBURSEMENT OF ALL
ACTUAL, REASONABLE AND NECESSARY EXPENSES INCURRED**

Deloitte & Touche LLP (“D&T” or the “Applicant”) respectfully represents as follows:

1. On November 15, 2002, the Debtors filed a voluntary petition for reorganization under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).
2. Oakwood Homes Corporation, et al. are manufacturers of mobile housing;
3. On December 2, 2002, the Office of the United States Trustee appointed an Official Committee of the Unsecured Creditors (“the Committee”). Soon thereafter, Committee selected Akin, Gump, Strauss, Hauer & Feld LLP as its counsel, and retained D&T as its Financial Advisor.
4. By Order dated February 6, 2003 (the “D&T Retention Order”), in accordance with section 1103(a) of the Bankruptcy Code, the Court authorized the employment of Deloitte & Touche LLP as Financial Advisors to the Committee nunc pro tunc to December 4,

2003 in the above-styled Chapter 11 case. D&T has acted as Financial Advisors to the Committee since December 4, 2002.

5. By Order dated December 18, 2002 (the "Interim Compensation Order") (D.I. 60), the Court established a procedure for interim compensation and reimbursement of expenses for professionals in this case. Each Notice Party will have twenty (20) days after service (the "Objection Deadline") of a Monthly Fee Application to object thereto. Upon expiration of the Objection Deadline, the Applicant shall certify in writing to the Debtors and Counsel to the Debtors that no objection, or an objection, has been filed with the Court relative to this Notice, whichever is applicable, after which the Debtors shall pay to the Applicant an amount equal or lesser of (i) eighty (80) percent of the fees and one-hundred (100) percent of the expenses requested in the Monthly Interim Fee Application and (ii) 80 percent of the fees and 100 percent of the expenses not subject to objection, pursuant to subparagraph (c) of the Interim Compensation Order. At the time of submitting this Final Application, D&T has not yet received all Interim Compensation to which it is entitled, however the final amount of \$80,032 sought in this Final Application assumes that all Interim Compensation will be received in accordance with the Interim Compensation Order prior to the Final hearing on this matter. Attached hereto as Exhibit D is a summary of the holdback amounts which are sought by this Application.

6. D&T submits the Final Application (i) for allowance of reasonable compensation for actual, reasonable and necessary professional services performed as Financial Advisor to the Committee in this case for the period from December 4, 2002 through April 16, 2004, and (ii) for reimbursement of actual, reasonable and necessary expenses incurred in providing services to the debtors during that same period. This application is made pursuant to

the provisions of Section 1103, 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, the Interim Compensation Order and the D&T Retention Order.

COMPENSATION PREVIOUSLY PAID

7. During the period covered by this Application, D&T received or will receive compensation for services pursuant to the Interim Compensation Order. There is no agreement or understanding between D&T and any other person, other than the members of the firm, for sharing of compensation to be received for services rendered in these cases.

SUMMARY OF SERVICES RENDERED

8. D&T maintained daily records of time spent in rendering professional services during the period covered by this Final Application. Attached hereto as Exhibit A is a detailed summary of fees incurred during the period pursuant to the D&T Retention Order, December 4, 2002 through April 16, 2004, showing the amount incurred of \$2,564,585.00.

9. Actual charges incurred were exceeded to the cumulative rolling fee cap, as amended through the pendency of the case. Pursuant to our Retention Order, our total compensation will be \$1,975,159.00. Attached hereto as Exhibit A is a summary of fees incurred during the period pursuant to the D&T Retention Order, April 1, 2004 through April 16, 2004, showing the amount due for the month adjusted for the cumulative rolling cap fee.

10. During the pendency of the case, the Applicant provided a focused range of professional services as requested by the Committee. The Applicant respectfully submits that these services: (i) were necessary and beneficial to the understanding and effective performance of the duties of the Committee; (ii) have been provided in a cost effective manner; (iii) have been

subject to ongoing monitoring and review by the Committee; and (iv) were tasks performed at the request of the Committee.

11. D&T has assisted the Committee in the preparation of various financial analyses in addition to performing all necessary professional services that are described and narrated in detail hereinafter.

12. The professional services rendered by D&T during the period covered by this Final Fee Application have been grouped into categories, and are summarized below:

100: Cash Flow Monitoring and Liquidity

110: Asset Disposition Analysis

120: Business Operations Review

130: Case Administration

170: Creditors Claims

180: Financing

230: Valuation

250: Plan and Disclosure Statement

The following summary explains the above major areas in which services were rendered by D&T during the period covered by this Final Fee Application:

- **100: Cash Flow Monitoring and Liquidity** – D&T monitored cash flow issues affecting the Debtors as a result of filing of Chapter 11. D&T worked with the Debtors and its financial advisors to gather financial information to enable the Committee to understand the cash flow and liquidity challenges facing the Debtors. D&T prepared weekly and monthly reports enabling the Committee to monitor the Debtors' activities regarding cash

flow and liquidity, comparing the actual weekly and monthly results against the initial liquidity projections presented by the Debtors and its advisors. D&T prepared for and participated in meetings and conference calls with the Committee and the Debtors and its advisors relating to cash flow and liquidity issues.

- **110: Asset Disposition Analysis** – D&T reviewed motions and proposals for sale of non-core assets by the Debtors during the period, and discussed the sale process with the Debtors, its real estate consultants, and its financial advisors. D&T undertook analyses to determine the reasonableness of the realizations of the asset dispositions proposed, and determine the appropriateness of the assets dispositions proposed relative to the reorganization strategy of the Debtors. D&T also prepared reports for the Committee including its opinion of the proposed asset sales, and recommending whether or not the Committee should be supporting the sales.
- **120: Business Operations Review** – D&T worked with the Debtors and its financial advisors to gather financial and operational information to enable the Committee to understand the trading and business challenges facing the Debtors and prepared weekly and monthly reports for the Committee’s operating performance monitoring role of the Debtors, comparing the actual weekly and monthly results against the initial business plan presented by the Debtors and its advisors. In addition, D&T analyzed the Debtors’ quarterly results and the sales center forecast. As part of its evaluation of the business of the Debtors on behalf of the Committee, D&T also continued the assessment of the manufactured housing market, the competitive challenges of the industry, the competitors

of the Debtors, and the position of the Debtors in the market. D&T professionals analyzed the Debtors' statements and schedules prepared by Debtors' financial advisors. D&T attended numerous meetings of the Committee to address the Committee's concerns and questions relating to the business of the Debtors, and the challenges the business has and is facing through the Chapter 11 process. In addressing the requirements of the Committee, D&T met with the Debtors and its advisors to request information and made various enquiries of the Debtors' management. Also included in this category is the time incurred by D&T preparing for and participating in meetings and conference calls with the Committee's counsel and the Committee to address critical restructuring strategy issues.

- **130: Case Administration** – D&T incurred cost in preparing its fee statements and fee applications, and preparation of time reports.
- **170: Creditors Claims** – D&T prepared analyses of the various classes of unsecured claims likely to be filed against the Debtors, including the guarantee claims under the REMICs. D&T proposed various strategies to the Committee in resolution of these issues.
- **180: Financing** – D&T continued reviewing and monitoring and reporting to the Committee regarding the proposed financing agreements. D&T also attended various conference calls with the Debtors' financial advisors to discuss the proposed financing.

- **230: Valuation** – D&T prepared analyses analyzing the Enterprise Value of the company using various approaches including the Discounted Cash Flow, Transaction and Comparable Company Multiple methods. Additionally, D&T reviewed and analyzed various valuation analyses created by Miller Buckfire.
- **250: Plan and Disclosure Statement:** D&T incurred time analyzing and reviewing the Debtors Plan of Reorganization, and Disclosure Statement, including the various revisions proposed for the Plan and Disclosure Statement financial analyses, and a review of tax structure and implications of the Debtors' plan and disclosure statement.

13. On December 15, 2003, the Court entered an Order approving the payment of \$400,000.00 to cover Excess Billables for the period December 4, 2002 through September 30, 2003. Actual charges for time incurred in excess of the cumulative rolling cap was \$989,426.00 at September 30, 2003. At that time, the Applicant's cumulative rolling cap recommenced at zero from October 2003. Actual time charges incurred by D&T for the Compensation Period were equal to the cumulative rolling cap allowable per D&T's retention application (\$125,000.00 per month for the first three months after the retention being December 2002, January 2003 and February 2003, \$100,000.00 per month for the subsequent three months of the retention being March 2003, April 2003, and May 2003 and \$100,000.00¹ each month thereafter until conclusion of the case). In the event that, at the time of submitting the monthly fee application in this case, the potential cumulative rolling fee cap for the current month is greater than the total hours actually expended for the current and all prior months by individuals

¹ On December 15, 2003, an Order was entered by the Court raising Deloitte & Touche's monthly cap from \$75,000.00 to \$100,000.00. However, the \$100,000.00 cap is effective October 1, 2003, and thereafter.

providing services hereunder multiplied by the billing rate for those individuals, D&T will voluntarily reduce the current sought monthly fee application by the excess. In the event that, at the time of submitting the monthly fee applications in the Case, the potential aggregate cumulative rolling fee cap for the current month plus all the prior months is less than the total hours actually expended by all individuals providing services multiplied by the billing rates for those individuals, D&T was permitted to recover such difference in the future months provided, however, that in no event shall D&T's aggregate fees charged to the Committee during the pendency of the Case exceed the potential aggregate cumulative rolling fee cap for all months during the pendency of the case.

14. Attached hereto, as Exhibit A is a summary of the time and professional fees incurred in this case for this Final Application.

15. Attached hereto as Exhibit B are the time details by month and in total for the compensation sought in this case, and indicating the carry-forward of remuneration above the cumulative rolling fee cap arrangement set out in the D&T retention order.

16. Attached hereto as Exhibit C are the time details by professional indicating responsible individual and time charged for the period covered by the Application.

17. Attached hereto as Exhibit D are the holdback amounts for the months of December 2003 through April 2004 sought by this Final Application.

18. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount requested 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 the services, and (e) the costs of comparable services other than in a case under this title.

WHEREFORE, D&T respectfully requests final allowance of \$80,032 as compensation for necessary professional services rendered to the Committee for the Fee Period plus the allowable carry forward, and \$0.00 for reimbursement of actual necessary costs and expenses incurred during that period.

Dated: June 8, 2004

DELOITTE & TOUCHE LLP

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Financial Advisors to the Official Committee of the Unsecured
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