

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
ONCO INVESTMENT COMPANY, et al.) Case No. 04-10558 (DDS)
)
Debtors.) Jointly Administered
Objections Due: 4/14/05 @ 4:00 p.m. (ET)

**FINAL APPLICATION OF JEFFERIES & COMPANY, INC., FOR ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES FOR THE PERIOD FROM MARCH 8, 2004 THROUGH JANUARY 31, 2005**

Name of Applicant: Jefferies & Company, Inc.
Authorized to Provide Professional Services to: Official Committee of Unsecured Creditors
Date of Retention: Order entered: nunc pro tunc to March 8, 2004
Period for which final compensation and reimbursement is sought: March 8, 2004 through January 31, 2005
Amount of Compensation sought as actual, reasonable and necessary: \$1,827,419.35
Amount of final Expense Reimbursement sought as actual, reasonable and necessary: \$31,861.49⁽¹⁾
This is a(n): ___ monthly ___ interim
X final application

This application includes no time incurred in connection with preparation of the Final Fee Application.

⁽¹⁾ Pursuant to the Fee Auditor's Final Report Regarding the Interim Fee Application of Jefferies & Company, Inc. For The First Period dated October 5, 2004, Jefferies has reduced its request for final allowance of expenses by \$3,056.58. Pursuant to the Fee Auditor's Final Report Regarding the Interim Fee Application of Jefferies & Company, Inc. For The Second Period dated January 28, 2005, Jefferies has reduced its request for final allowance of expenses by \$1,054.28.

Prior monthly applications:

Date Filed	Period Covered	Requested		Approved		Paid	
		Fees	Expenses	Fees	Expenses ⁽¹⁾	Fees	Expenses
6/17/2004	03/08/04 – 05/31/04	\$277,419.35	\$6,550.89	\$277,419.35	\$3,494.31	\$277,419.35	\$3,494.31
8/3/2004	06/01/04 – 06/30/04	100,000.00	1,755.73	80,000.00	1,755.73	80,000.00	1,755.73
8/18/2004	07/01/04 – 07/31/04	100,000.00	0.00	80,000.00	0.00	80,000.00	0.00
9/17/2004	08/01/04 – 08/30/04	100,000.00	9,487.41	80,000.00	9,487.41	80,000.00	9,487.41
10/19/2004	09/01/04 – 09/30/04	100,000.00	3,730.96	80,000.00	3,730.96	80,000.00	3,730.96
11/23/2004	10/01/04 – 10/31/04	100,000.00	10,887.56	80,000.00	10,887.56	80,000.00	10,887.56
12/22/2004	11/01/04 – 11/30/04	100,000.00	3,034.20	80,000.00	3,034.20	0.00	0.00
2/17/2005	12/01/04 – 12/31/04	100,000.00	462.18	Pending	Pending	0.00	0.00
N/A	1/01/05 – 01/31/05	100,000.00	746.68	Pending	Pending	0.00	0.00
N/A	Success Fee	750,000.00	N/A	Pending	Pending	\$750,000.00	0.00
Total	03/08/04 – 1/31/05	\$1,827,419.35	\$36,655.61	\$757,419.35	\$32,390.17	\$1,427,419.35	\$29,355.97
Expense Adj. ⁽²⁾			(4,794.12)				
Total Adj.	03/08/04 – 1/31/05	\$1,827,419.35	\$31,861.49	\$757,419.35	\$32,390.17	\$1,427,419.35	\$29,355.97

Total amount outstanding: \$400,000.00 in fees and \$2,505.52 in expenses.

⁽¹⁾ Pursuant to the Fee Auditor's Final Report Regarding the Interim Fee Application of Jefferies & Company, Inc. For The First Period dated October 5, 2004, Jefferies has reduced its request for final allowance of expenses by \$3,056.58.

⁽²⁾ The Expense Adjustment is \$4,794.12, which represents the sum of Jefferies' voluntary reduction of expenses on its second interim fee application of \$683.26, the reduction in Jefferies' expenses pursuant to the Order Approving First Interim Fee Application Requests, entered on December 13, 2004, of \$3,056.58, and the reduction of expenses pursuant to the Fee Auditor's Final Report Regarding The Interim Fee Application of Jefferies & Company, Inc. For The Second Period of \$1,054.28.

Official Committee of Unsecured Creditors Financial Advisors

Name of Professional Person	Highest Degree, Date	Licenses⁽¹⁾⁽²⁾	Position	Business Experience (Years)
Tim O'Connor	B.S. Accounting, University of Delaware, 1987	Series 7, 63	Managing Director	17
Hyonwoo Shin	B.S. Chinese Studies and Civil Engineering, United States Military Academy at West Point, 1991	Series 7, 63	Vice President	9
Barak Klein	B.S. Economics, University of Pennsylvania, 1998	Series 7, 63	Vice President	6
Adam Keil	B.S. Economics, University of Pennsylvania, 2000	Series 7, 63	Associate	5
Robert Kopera	B.S. Computer Engineering, Virginia Tech, 2003	Series 7, 63	Analyst	2

⁽¹⁾ The Series 7 examination is a required exam to obtain the main NASD series license. It is a comprehensive standardized test that covers 3 broad areas of expertise in business and financial matters: Securities Markets and Customer Accounts, Product Knowledge and Investment and Economic Analysis.

⁽²⁾ The Series 63 examination is required for most individuals who solicit orders for any type of security in that state. The exam covers topics such as: State Registration Laws and Procedure, Lawful Practices and a Definition of Terms.

Jefferies & Company, Inc.
Summary of Hours Worked
March 2004 to January 2005

<u>Name</u>	<u>Position</u>	<u>Hours Worked</u>
Tim O'Connor	Managing Director, Restructuring and Recapitalization Group	312.3
Hyonwoo Shin	Vice President, Restructuring and Recapitalization Group	274.5
Barak Klein	Vice President, Restructuring and Recapitalization Group	33.3
Adam Keil	Associate, Restructuring and Recapitalization Group	539.5
Robert Kopera	Analyst, Restructuring and Recapitalization Group	552.3
	Total	<u><u>1,711.8</u></u>

EXPENSE SUMMARY (MARCH 8, 2004 – JANUARY 31, 2005)⁽¹⁾

Expenses Category	Total Expenses
Phone/Fax	\$1,175.44
Accommodations	4,666.40
Transportation	20,773.13
Presentation Service	531.60
Meals	3,569.32
Financial Research	734.88
Subs to Periodicals	292.67
Courier	118.05
TOTAL DISBURSEMENTS	31,861.49

⁽¹⁾ Pursuant to the Fee Auditor's Final Report Regarding the Interim Fee Application of Jefferies & Company, Inc. For The First Period dated October 5, 2004, Jefferies has reduced its request for final allowance of expenses by \$3,056.58. Pursuant to the Fee Auditor's Final Report Regarding the Interim Fee Application of Jefferies & Company, Inc. For The Second Period dated January 28, 2005, Jefferies has reduced its request for final allowance of expenses by \$1,054.28.

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EXPENSES FOR THE PERIOD FROM MARCH 8, 2004 THROUGH JANUARY 31, 2005**

Pursuant to 11 U.S.C. §§ 330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure, Jefferies & Company, Inc. (hereinafter "Jefferies"), hereby submits this Final Application (the "Final Application"), for compensation for professional services rendered and reimbursement of its actual and necessary expenses incurred as financial advisor to the Official Committee of Unsecured Creditors (the "Committee"), of the debtors, ONCO Investment Company, et al. (the "Debtors"). By this Final Application, Jefferies seeks final allowance of \$1,827,419.35 in fees and \$31,861.49⁽¹⁾ in expenses incurred in these chapter 11 cases from March 8, 2004 to January 31, 2005 (the "Retention Period"). In support of its Application, Jefferies respectfully represents as follows:

1. Jefferies was employed as the Committee's financial advisor in connection with these chapter 11 cases nunc pro tunc to March 8, 2004, pursuant to an Order entered by this Court on May 25, 2004. The Order authorized Jefferies to be compensated on a monthly retainer basis plus success fee and to be reimbursed for actual and necessary out-of-pocket expenses.

⁽¹⁾ Pursuant to the Fee Auditor's Final Report Regarding the Interim Fee Application of Jefferies & Company, Inc. For The First Period dated October 5, 2004, Jefferies has reduced its request for final allowance of expenses by \$3,056.58. Pursuant to the Fee Auditor's Final Report Regarding the Interim Fee Application of Jefferies & Company, Inc. For The Second Period dated January 28, 2005, Jefferies has reduced its request for final allowance of expenses by \$1,054.28.

COMPENSATION PAID AND ITS SOURCE

2. All services for which compensation is requested by Jefferies were performed for or on behalf of the Committee.

3. Attached hereto as Exhibit A is a detailed statement of hours worked during the Retention Period in support of Jefferies total fees of \$1,827,419.35 and Exhibit B is a summary of expenses paid during the Retention Period showing the amount of \$31,861.49 for reimbursement of expenses.

SUMMARY OF SERVICES RENDERED

4. As noted in Jefferies' declaration, Jefferies does not group hours worked by project category. During the course of its representation of the Committee, Jefferies has provided services to and advised the Committee with respect to a variety of matters, including but not limited to:

- (i) Monitoring the Debtors' financial performance;
- (ii) Negotiating the terms of the plan of reorganization on behalf of the Committee;
- (iii) Negotiating the terms of the various documents related to the disclosure statement and plan of reorganization;
- (iv) The Debtors' efforts to obtain post-petition financing and issues related thereto;
- (v) The formulation of a disclosure statement and plan of reorganization;
- (vi) Matters concerning the Debtors pension and retiree obligations and obligations under the collective bargaining agreements;
- (vii) Appearing at hearings;

- (viii) Review pleadings and advising the Committee with respect thereto; and
- (ix) Performing other tasks as requested by the Committee or co-counsel.

DISBURSEMENTS

5. Jefferies has incurred out-of-pocket disbursements during the Retention Period. This disbursement sum is normally broken down into categories of charges, including, among other things, telephone and other charges, mail and express mail charges, special or hand delivery charges, document processing, travel expenses, expenses for "working meals," computerized research, as well as non-ordinary overhead expenses such as secretarial and other overtime. A review by category of the expenses incurred during the Retention Period may be found in the attachments hereto as Exhibit B.

6. Professionals of Jefferies have expended a total of 1,711.8 hours in connection with this matter during the Retention Period. As stated in prior filings, there are Jefferies professionals who are involved in the case who cannot keep hours. For this reason Jefferies believes that the number of hours aforementioned is likely under inclusive of the total hours worked in connection with this assignment.

7. Jefferies believes that the time entries included in Exhibit A attached hereto and the expense breakdown set forth in Exhibit B hereto are in compliance with the requirements of Local Rule 2016-2.

8. In accordance with the factors enumerated in 11 U.S.C. §330, the amount requested is fair and reasonable given (a) the complexity of this case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

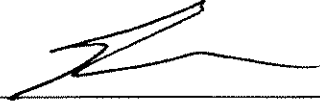
ALLOWANCE OF COMPENSATION

WHEREFORE, Jefferies respectfully requests, that the Court enter the Order in the form attached;

- (i) Allowing Jefferies final compensation in the amount of \$1,827,419.35 in fees, inclusive of holdbacks and reimbursement of \$31,861.49 in actual and necessary expenses for the period March 8, 2004 through January 31, 2005;
- (ii) Allowing the Debtors to remit to Jefferies all approved and unpaid fees and expenses (as described more fully in Exhibits C), including those requested by this motion; and
- (iii) Grant such other and further relief as this Court may deem just and proper.

Dated: New York, New York
March 14, 2005

JEFFERIES & COMPANY, INC.



Tim O'Connor
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Financial Advisor to the Official Committee of Unsecured
Creditors