

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re: : Chapter 11  
: :  
ONCO INVESTMENT COMPANY, : Case No. 04-10558 (JBR)  
a Delaware corporation, et al., : :  
: : Jointly Administered  
Debtors. : Obj's Due: April 29, 2005 at 4:00 p.m.

**ELEVENTH MONTHLY AND FINAL FEE APPLICATION OF  
STROOCK & STROOCK & LAVAN LLP, COUNSEL TO THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS OF ONCO INVESTMENT  
COMPANY, ET AL., FOR INTERIM COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FOR SERVICES RENDERED DURING  
THE PERIOD FROM MARCH 5, 2004 THROUGH JANUARY 31, 2005**

NAME OF APPLICANT	STROOCK & STROOCK & LAVAN LLP
AUTHORIZED TO PROVIDE PROFESSIONAL SERVICES TO:	OFFICIAL COMMITTEE OF UNSECURED CREDITORS
DATE OF RETENTION:	MARCH 5, 2004
PERIOD FOR WHICH COMPENSATION AND REIMBURSEMENT IS SOUGHT	MARCH 5, 2004 – JANUARY 31, 2005
AMOUNT OF COMPENSATION SOUGHT AS ACTUAL, REASONABLE AND NECESSARY:	\$2,514,317.25 <sup>1</sup>
AMOUNT OF EXPENSE REIMBURSEMENT SOUGHT AS ACTUAL, REASONABLE AND NECESSARY:	\$87,541.54
THIS IS A(N): <input checked="" type="checkbox"/> MONTHLY <input type="checkbox"/> INTERIM <input checked="" type="checkbox"/> FINAL APPLICATION	

[THE TOTAL TIME EXPENDED IN CONNECTION WITH THE PREPARATION OF THIS FINAL  
APPLICATION IS INCLUDED IN THIS FINAL APPLICATION]

THIS IS THE ELEVENTH MONTHLY AND FINAL FEE APPLICATION FOR COMPENSATION FOR  
SERVICES RENDERED THAT STROOCK HAS FILED WITH THE COURT IN CONNECTION WITH THESE  
BANKRUPTCY CASES

<sup>1</sup> Stroock has included a request of \$7,500 in this Final Application for compensation for services rendered and reimbursement of expenses relating to the preparation and prosecution of this Final Application.

**ONCO INVESTMENT COMPANY, ET AL.  
 COMPENSATION BY PROJECT CATEGORY  
 JANUARY 1, 2005 - JANUARY 31, 2005**

<b>MATTER CODE</b>	<b>PROJECT CATEGORY</b>	<b>HOURS</b>	<b>FEES</b>
0002	General Case Administration	35.2	\$ 13,010.00
0003	Fee Application/Monthly Billing - Stroock	33.9	13,952.50
0004	Fee Application/Monthly Billing - Other Professionals	2.0	1,050.00
0008	Committee Matters/Creditor Meetings/Conferences	1.3	862.50
0010	Preparation for and Attendance at Hearings	2.5	1,362.50
0013	DIP Financing	28.6	19,047.50
0018	Bankruptcy Litigation (General A.P., Preference, Conveyance and Avoidance Actions)	11.5	8,160.00
0021	Labor Issues/Employee Matters	3.5	1,938.00
0025	Plan/Disclosure Statement/Voting Issues	5.4	4,050.00
0026	Post Confirmation Issues	184.0	91,981.50
0027	Travel	4.0	2,100.00
0028	SEC Compliance Matters	21.6	10,335.00
	<b>SUBTOTAL</b>	<b>333.5</b>	<b>\$ 167,849.50</b>
	<b>Less 50% TRAVEL</b>	<b>(2.0)</b>	<b>(1,050.00)</b>
	<b>TOTAL</b>	<b>331.5</b>	<b>\$ 166,799.50</b>

et. al.  
 Compensation by Project Category  
 March 5, 2004 - January 31, 2005

Matter Code	Project Category	Hours	Total Fees
0002	General Case Administration	569.7	\$ 260,281.50
0003	Fee Application/Monthly Billing - Stroock	239.3	91,009.00
0004	Fee Application/Monthly Billing - Other Professionals	38.5	15,470.50
0005	Financial Filings (Schedules, Statements, Monthly Operating Reports, etc)	5.8	2,289.00
0006	Retention of Professionals - Stroock	46.1	17,362.50
0007	Retention of Professionals - Other Professionals	73.9	34,426.50
0008	Committee Matters/Creditor Meetings/Conferences	304.0	165,655.00
0009	Creditor Inquiries/Matters	7.6	4,791.00
0010	Preparation for and Attendance at Hearings	200.7	120,743.00
0011	Analysis of Pre-Petition Transactions	855.3	240,412.00
0013	DIP Financing	187.5	107,889.00
0014	Executory Contracts/Unexpired Leases/License Agreements (Assumption Rejection)	7.3	4,058.00
0015	Claims Analysis/Objections/Administration	23.0	6,906.50
0016	Asset Dispositions, Sales, Uses and Leases (Section 363)	190.2	126,300.00
0017	Lift Stay Litigation (Section 362)	14.0	7,297.50
0018	Bankruptcy Litigation (General A.P., Preference, Conveyance and Avoidance Actions)	351.8	183,334.00
0020	Tax Issues	39.6	23,592.00
0021	Labor Issues/Employee Matters	142.0	82,699.50
0023	Exclusivity	4.5	2,160.00
0025	Plan/Disclosure Statement/Voting Issues	1319.7	735,247.00
0026	Post Confirmation Issues	417.4	221,920.50
0027	Travel	157.1	101,637.50
0028	SEC Compliance Matters	21.6	10,335.00
		Subtotal	5216.6 \$ 2,565,816.50
		Less 50% Travel	-78.5 (50,818.75)
		Less Adjustments Per Court Order	(8,180.50)
		Total	5138.1 \$ 2,506,817.25

**ONCO INVESTMENT COMPANY, ET AL.  
 COMPENSTATION BY INDIVIDUAL  
 JANUARY 1, 2005 - JANUARY 31, 2005**

	HOURS	RATE	AMOUNT
<b>Partners</b>			
Adair, Wendell H	64.0	\$750	\$ 48,000.00
Donoho, Christopher	18.5	625	11,562.50
Finkelman, David	16.4	725	11,890.00
Kulman, Bradley	2.5	660	1,650.00
Lipshitz, Doron	0.5	575	287.50
Pasquale, Kenneth	0.3	575	172.50
Perez, Patricia M.	17.7	550	9,735.00
<b>Associates</b>			
Glaser, Abraham Victor	0.5	395	197.50
Minias, Joseph	9.1	305	2,775.50
Parra, Rebecca E.	0.5	260	130.00
Scoll, Adam W.	1.1	330	363.00
Szollosi, Ildiko	134.5	395	53,127.50
Zeldman, Karyn B.	44.6	525	23,415.00
<b>Paraprofessionals</b>			
Holzberg, Ethel	23.3	195	4,543.50
<b>SUBTOTAL</b>	<b>333.5</b>		<b>\$ 167,849.50</b>
<b>Less 50% TRAVEL</b>	<b>(2.0)</b>		<b>(1,050.00)</b>
<b>TOTAL</b>	<b>331.5</b>		<b>\$ 166,799.50</b>

ONCO Investment Company et. al.  
 Compensation by Individual  
 March 5, 2004 - January 31, 2005

	Hours	Rate	Amount
<b>Partners</b>			
Adair, Wendell H	948.0	750	\$ 711,000.00
Donoho, Christopher	650.4	625	408,500.00
Finkelman, David	292.3	725	211,917.50
Kulman, Bradley	2.5	660	1,650.00
Lipshitz, Doron	0.5	575	287.50
Pasquale, Kenneth	233.3	575	134,147.50
Perez, Patricia M.	17.7	550	9,735.00
Spencer, David H.	16.8	675	11,340.00
Uffner, Jeffrey	19.5	695	13,552.50
Wintner, Mark	0.5	660	330.00
<b>Associates</b>			
Bhattacharyya, Sayan	10.3	205	2,111.50
Boyer, Cecile M.	42.0	435	18,270.00
Chaudhery, Kamilla A.	20.0	245	4,900.00
Eichler, Mark	17.5	480	8,400.00
Garza, Melissa	13.9	435	6,046.50
Glaser, Abraham Victor	377.5	395	149,112.50
Martin, Edward	53.0	475	25,175.00
Minias, Joseph	72.2	305	22,021.00
Nagle, Shannon L.	0.8	535	428.00
Ohayon, Lior J.	167.3	305	51,026.50
Parra, Rebecca E.	333.0	260	86,580.00
Rotker, Laurel	40.0	525	21,000.00
Sabado, Nicole	161.7	330	53,361.00
Schultz, Steven	86.1	470	40,467.00
Scoll, Adam W.	1.4	330	462.00
Szollosi, Ildiko	544.2	395	214,859.00
Zeldman, Karyn B.	468.5	525	245,962.50
<b>Paraprofessionals</b>			
Calvo, Fernando	0.5	195	97.50
Caskadon, Alexandra	4.3	195	838.50
Chin, Bettina	2.5	185	462.50
Farr, Michael	17.8	170	3,026.00
Fernandez, Tirso	7.3	185	1,350.50
Gagliano, Victoria	6.9	170	1,173.00
Holzberg, Ethel	56.4	195	10,998.00
Kivell, Jonathan	60.7	185	11,229.50
Magzamen, Michael	5.0	195	975.00
Maipeli, Gary	5.1	180	918.00
Negron, Jeffrey	250.3	185	46,305.50
Stutman, Sarah	130.8	195	25,467.00
Waxman, Lauren	4.5	185	832.50
Zbinovsky, Alex	14.5	195	2,827.50
Cobb Viola	1.0	75	75.00
Crooks, Harris	6.8	120	816.00
Dhanraj, Judy	0.2	120	24.00
Frantz, Andrew	0.5	75	37.50
Goldson, Nigel	3.0	75	225.00
Jones, Margaret	1.3	150	195.00
Mohamed, David	0.3	130	39.00
Peters, Angelina	2.1	115	241.50
Shroder, David	1.6	75	120.00
Gonzalez, George	3.3	160	528.00
Karethy, Joshua M.	13.9	160	2,224.00
McClurg, Natalie E.	25.3	160	4,048.00
SUBTOTAL	5,216.6		\$ 2,565,816.50
Less 50% TRAVEL	(78.5)		(50,818.75)
Less Adjustments Per Court Order			(8,180.50)
TOTAL	5,138.1		\$ 2,506,817.25

**ONCO INVESTMENT COMPANY, ET AL.**  
**DISBURSEMENT SUMMARY**  
**JANUARY 1, 2005 - JANUARY 31, 2005**

Meals	\$ 451.14
Local Transportation	97.14
Long Distance Telephone	152.78
Duplicating Costs-in House	12.20
O/S Information Services	84.73
Travel Expenses - Transportation	24.00
Travel Expenses - Meals	3.50
<b>TOTAL</b>	<b>\$ 825.49</b>

**ONCO INVESTMENT COMPANY, ET AL.**  
**DISBURSEMENT SUMMARY**  
**March 5, 2004 - January 31, 2005**

Outside Messenger Service	\$ 342.56
Overtime	1,335.00
Meals	1,193.09
Local Transportation	3,176.37
Long Distance Telephone	7,074.05
Duplicating Costs-in House	3,212.75
Duplicating Costs-Outside	1,155.08
Postage	22.47
Outside Professional Services	18,018.46
Court Reporting Services	3,158.57
CT Corporation CSC	974.95
O/S Information Services	1,136.87
Miscellaneous	127.20
In House Messenger Service	73.15
Travel Expenses - Transportation	11,954.43
Travel Expenses - Lodging	3,222.90
Travel Expenses - Meals	1,550.10
Westlaw	31,274.00
Lexis/Nexis	2,365.64
Facsimile Charges	83.00
Process Service & Calendar Watch	1,560.72
<b>Subtotal</b>	<b>\$ 93,011.36</b>
<b>Less Adjustments Per Court Order</b>	<b>(5,469.82)</b>
<b>Total</b>	<b>\$ 87,541.54</b>

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re:	:	Chapter 11
	:	
ONCO INVESTMENT COMPANY,	:	Case No. 04-10558 (JBR)
a Delaware corporation, <u>et al.</u> ,	:	
	:	Jointly Administered
Debtors.	:	

**ELEVENTH MONTHLY AND FINAL FEE APPLICATION OF  
STROOCK & STROOCK & LAVAN LLP, COUNSEL TO THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS OF ONCO INVESTMENT  
COMPANY, ET AL., FOR INTERIM COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FOR SERVICES RENDERED DURING  
THE PERIOD FROM MARCH 5, 2004 THROUGH JANUARY 31, 2005**

Stroock & Stroock & Lavan LLP (“Stroock”), counsel to the Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned debtors-in-possession (collectively, the “Debtors”), for its eleventh monthly and the final fee application (the “Final Application”) pursuant to sections 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”) for (i) allowance of compensation for professional services rendered and for reimbursement of expenses in connection with the Debtors’ chapter 11 cases (the “Chapter 11 Cases”) during the period from January 1, 2005 through and including January 31, 2005 (the “Eleventh Compensation Period”; (iii) final allowance of compensation for professional services rendered and reimbursement of expenses in connection with the Chapter 11 Cases during the period from March 5, 2004 through and including January 31, 2005 (the “Total Compensation Period”); and (iv) payment of all amounts not yet paid or held back during the Total Compensation Period, respectfully states as follows:



## INTRODUCTION

1. By this Final Application, Stroock seeks the entry of an order (a) authorizing and approving (i) the final allowance and award of compensation for the professional services rendered to the Committee during the Total Compensation Period in the amount of \$2,514,317.25, comprised of: (A) all fees requested in the Interim Fee Applications (as defined below) filed by Stroock on an interim basis in the amount of \$1,803,535.50<sup>1</sup>; (B) fees in the amount of \$536,482.25 in respect of services rendered during October 2004 -December 2004 for which only monthly applications were previously filed (the "Late 2004 Period"); and (C) fees in the amount of \$166,799.50<sup>2</sup> in respect of services rendered during the Eleventh Compensation Period, (ii) the final allowance of the reimbursement of Stroock's actual and necessary out-of-pocket expenses incurred in connection with the rendering of such services during the Total Compensation Period in the amount of \$87,541.54 comprised of (A) all expenses requested in the Interim Fee Applications (as defined herein) filed by Stroock on an interim basis in the amount of \$66,360.22<sup>3</sup>; (B) expenses in the amount of \$20,355.83 in respect of services rendered during the Late 2004 Period for which only monthly applications were previously filed; and (C) expenses in the amount of \$825.49 in respect of services rendered during the Eleventh Compensation Period; and (b) authorizing and directing immediate payment of all amounts previously held back from Stroock's prior fee applications (the "Holdback").

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<sup>1</sup> Such amount is net of an agreed upon reduction of \$6,685.50 for the First Interim Fee Application and \$1,495.00 for the Second Interim Fee Application.

<sup>2</sup> Such amount includes certain time from December 2004 that was inadvertently omitted from the December fee statement.

<sup>3</sup> Such amount is net of an agreed upon reduction of \$4,805.16 for the First Interim Fee Application and \$664.66 for the Second Interim Fee Application.

## JURISDICTION

2. This Court has jurisdiction over this matter pursuant to sections 157 and 1334 of title 28 of the United States Code. Venue in this district is proper pursuant to sections 1408 and 1409 of title 28 of the United States Code. The statutory and rule predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 2016.

## BACKGROUND

3. On February 23, 2004 (the "Petition Date"), the Debtors commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors' chapter 11 cases (the "Chapter 11 Cases") have been consolidated for procedural purposes only and are being jointly administered. Throughout the Chapter 11 Cases the Debtors continued in possession of their respective properties and operated and managed their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

4. On March 5, 2004, the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed the Committee. The Committee was composed of the following members: (i) Ingalls & Snyder LLC, as Chairman, (ii) Cary Mining, (iii) Marine Services, Inc., (iv) Clutterbuck Investor Group, (v) BSC Holding, Inc., (vi) Pacholder Associates, and (vii) Wells Fargo (as Indenture Trustee). Also on March 5, 2004, the Committee duly selected Stroock as its lead bankruptcy counsel. On March 8, 2004, the Committee selected Morris, Nichols, Arsht & Tunnel as its local bankruptcy counsel and Jefferies & Company, Inc. ("Jefferies"), as its financial advisor.

5. By application dated March 23, 2004, Stroock sought approval for its retention as counsel to the Committee nunc pro tunc to March 5, 2004. Stroock filed a Supplemental Affidavit to this application on May 11, 2004, providing additional disclosure regarding its representation of certain parties-in-interest. An order authorizing the retention of Stroock as counsel for the Committee, nunc pro tunc as of March 5, 2004, was entered on May 25, 2004.

6. This is the eleventh application Stroock has filed for monthly allowance of compensation and reimbursement of expenses for services rendered to the Committee as well as the final application for the same. This Final Application is submitted pursuant to the Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the "Administrative Fee Order"), entered by this Court on March 23, 2004.

7. On July 13, 2004, Stroock filed its first interim application for the period from March 4, 2004 through May 31, 2004 (the "First Application") for allowance of compensation and reimbursement of expenses for services rendered to the Committee. Pursuant to an order of the Court dated December 16, 2004, the Debtors were authorized to pay Stroock \$915,968.25 for fees and \$18,349.32 for expenses with respect to the First Application. A copy of such order is attached hereto as Annex "I."

8. On November 18, 2004, Stroock filed its second interim application for the period from June 1, 2004 through September 30, 2004 (the "Second Application" and together with the First Application, the "Interim Fee Applications") for allowance of compensation and reimbursement of expenses for services rendered to the Committee. Pursuant to the Fee Auditor's Final Report dated as of January 28, 2005 (the "Auditor's Second Final Report") with respect to the Second Application, Stroock has agreed to reduce its fees and expenses and is now

requesting \$887,576.25 for fees and \$48,010.90 for expenses. The hearing on the Second Application is expected to occur in late April 2005. A copy of the Auditor's Second Final Report is attached hereto as Annex "II."

9. On November 16, 2004, this Court entered an order (the "Confirmation Order") confirming the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the "Plan"). The Effective Date of the Plan (as defined in the Plan) occurred on January 31, 2005.

10. Stroock has received no payment or promises for payment from any source other than the Debtors for services rendered in connection with the Chapter 11 Cases. There is no agreement or understanding between Stroock and any other person (other than members of Stroock) for the sharing of compensation to be received for the services rendered in the Chapter 11 Cases.

**I. FINAL FEE APPLICATION OF STROOCK & STROOCK & LAVAN, AS COUNSEL TO THE COMMITTEE**

11. Since the outset of the Chapter 11 Cases, Stroock has rendered professional services to the Committee as requested and as necessary and appropriate in furtherance of the interests of the Debtors' unsecured creditors. The variety and complexity of the Chapter 11 Cases and the need to act or respond on an expedited basis in furtherance of the Committee's needs have required the expenditure of substantial time by the personnel assigned to this matter.

12. Stroock maintains written records of the time expended by attorneys and paraprofessionals in the rendition of their professional services to the Committee in compliance with Delaware Local Rule 2016-2(d) (amended, effective as of September 1, 2002). A compilation showing the name of the attorney or paraprofessional rendering services, the date on

which the services were performed, a description of the services rendered, and the amount of time spent in performing the services during the Eleventh Compensation Period is annexed hereto as Exhibit A1. In addition, a summary of the hours expended by each of the attorneys and paraprofessionals during the Eleventh Compensation Period and the Final Compensation Period, their normal hourly rates, and the value of their services is annexed hereto as Exhibit B1 and B2, respectively.

13. Stroock also maintains records of all actual and necessary out-of-pocket expenses incurred in connection with the rendition of its professional services. A schedule of the categories of expenses and amounts during the Eleventh Compensation Period and the Final Compensation Period for which reimbursement is requested is annexed hereto as Exhibit C1 and C2, respectively.

14. Stroock respectfully submits that the professional services that it rendered on behalf of the Committee were necessary and have directly benefited the creditor constituents represented by the Committee and have contributed to the effective administration and conclusion of the Chapter 11 Cases.

15. Services performed during the prior compensation periods are detailed in the previously submitted interim and monthly fee applications on file with the Court. Full descriptions of all work performed and all time spent on such tasks during the previous periods for which compensation was requested may be found in such prior fee applications. These prior fee application are hereby incorporated by reference into this Final Application.

16. Set forth below is a summary of the services rendered during the Eleventh Compensation Period under each project category. This summary is not intended to be a detailed description of the work performed during the Eleventh Compensation Period, as those day-to-

day services and the time expended in performing such services are fully set forth in Exhibit A. Rather, it is merely an attempt to highlight certain of these areas in which services were rendered to the Committee, as well as to identify some of the problems and issues to which Stroock was required to direct its attention. During the Eleventh Compensation Period, Stroock advised the Committee on a variety of matters and issues relating to the Chapter 11 Cases as generally set forth below.

17. As stated in the Affidavit of Wendell H. Adair, Jr., annexed hereto as Annex "III," all of the services for which final compensation is sought herein were rendered for or on behalf of the Committee solely in connection with these cases.

**Summary of Services Rendered for the Eleventh Compensation Period**

**A. Case Administration – Category 0002**

18. During the Eleventh Compensation Period, Stroock reviewed pleadings filed in the Chapter 11 Cases and determined such pleadings' impact upon the Debtors and the Debtors' unsecured creditors and upon the administration of the Debtors' estates. Stroock conducted weekly status meetings in order to coordinate the efforts of all of the members of the Stroock team. In addition, Stroock continuously updated working group lists and issue and task lists relating to its work on the Chapter 11 Cases.

19. Stroock expended 35.2 hours on this category for a fee of \$13,010.00.

**B. Fee Application/Monthly Billing – Stroock – Category 0003**

20. During the Eleventh Compensation Period, Stroock drafted its monthly fee statement. Stroock also addressed issues with the fee auditor and U.S. Trustee in advance of the fee hearing.

21. Stroock expended 22.8 hours on this category for a fee of \$9,816.50.

**C. Fee Application/Monthly Billing – Other Professionals – Category 0004**

22. During the Eleventh Compensation Period, Stroock reviewed the fee applications of the Debtors' counsel and financial advisors as well as various other professionals.

23. Stroock expended 2.0 hours on this category for a fee of \$1,050.00.

**D. Committee Matters/Creditor Meetings/Conferences -- Category 0008**

24. During the Eleventh Compensation Period, Stroock discussed with certain Committee members the timeline of the case going forward and the impact of the rights offering.

25. Stroock expended 1.3 hours on this category for a fee of \$862.50.

**E. Preparation for and Attendance at Hearings -- Category 0010**

26. During the Eleventh Compensation Period, Stroock prepared for and participated in the status conference hearing in Wilmington, Delaware on January 13, 2004.

27. Stroock expended 2.5 hours on this category for a fee of \$862.50.

**F. DIP Financing**

28. During the Eleventh Compensation Period Stroock reviewed the revised financing agreements, including the exit financing documents. As warranted, Stroock had discussions with the Committee and Jefferies regarding exit financing issues.

29. Stroock expended 28.6 hours on this category for a fee of \$19,047.50.

**G. Bankruptcy Litigation (General A.P., Preference, Conveyance and Avoidance Actions) – Category 0018**

30. During the Eleventh Compensation Period, Stroock reviewed and discussed issues related to the D&O complaint, the mezzanine litigation and appeal and the DTC distribution.

31. Stroock expended 11.5 hours on this category for a fee of \$8,160.00.

**H. Labor Issues/Employee Matters -- Category 0021**

32. During the Eleventh Compensation Period, Stroock reviewed KERP provisions, issues related to the employee change of control amendment and Section 409 issues.

33. Stroock expended 3.5 hours on this category for a fee of \$1,938.00.

**I. Plan/Disclosure Statement/Voting Issues -- Category 0025**

34. During the Eleventh Compensation Period, Stroock exchanged emails and telephone calls regarding issues related to the noteholder subscription and the rights offering.

35. Stroock expended 5.4 hours on this category for a fee of \$4,050.00.

**J. Post Confirmation Issues -- Category 0026**

36. During the Eleventh Compensation Period, Stroock focused on all related issues with respect to the Debtors' ability to continue post-confirmation. Stroock exchanged emails and telephone calls regarding issues related to the DTC litigation with mezzanine holders and issues related to SEC compliance. Stroock conducted research regarding 13D issues and expended a significant amount of time reviewing amendments to the commitment agreement and examining issues relating to its execution. Stroock reviewed forms of escrow agreements for use under the commitment agreement and reviewed issues related to going effective, including post-confirmation timing, exit financing and bondholder financing. Stroock reviewed the final prospectus and issues relating to the filing of the S-1 resale registration. Finally, Stroock reviewed cure claims objections and stipulations involving various claims issues.

37. Stroock expended 184 hours on this category for a fee of \$91,981.50.

**K. Travel -- Category 0027**

38. During the Eleventh Compensation Period, Stroock traveled to Wilmington, Delaware to attend the omnibus hearing on January 13, 2004.



39. Stroock expended 4.0 hours on this category for a fee (representing a 50% credit pursuant to Delaware Local Rule 2016-2(d)) of \$1,050.

**L. SEC Compliance Matters – Category 0028**

40. During the Eleventh Compensation Period, Stroock ensured compliance the Securities & Exchange Commission filing requirements and conducted research regarding such issues as warranted.

41. Stroock has expended 21.6 hours on this category for a fee of \$10,335.00 during the Eleventh Compensation Period.

**FACTORS TO BE CONSIDERED IN AWARDING ATTORNEYS' FEES**

42. The factors to be considered in awarding attorneys fees have been enumerated in In re First Colonial Corporation of America, 544 F.2d 1291, 1298-99 (5th Cir. 1977), reh'g denied, 547 F.2d 573, cert. denied, 431 U.S. 904. Most courts have adopted these factors. Stroock respectfully submits that a consideration of these factors should result in this Court's allowance of the full compensation sought.

a. The Time and Labor Required. The professional services rendered by Stroock on behalf of the Committee have required the expenditure of substantial time and effort, as well as a high degree of professional competence and expertise, in order to deal with the many complex issues encountered by the Committee with skill and dispatch. Occasionally, Stroock has been required to perform these services under significant time constraints requiring work late into the evening and on weekends. The services rendered by Stroock were performed efficiently, effectively and economically.

b. The Novelty and Difficulty of Questions. Novel and complex issues have already arisen in the course of these Chapter 11 cases, and it can be anticipated that other such issues will be encountered. In this case, as in many others in which the firm is involved, Stroock's effective advocacy and creative approach have helped clarify and resolve such issues and will continue to prove beneficial.

c. The Skill Requisite to Perform the Legal Services Properly. Stroock believes that its recognized expertise in the area of corporate reorganization, its ability to draw from highly experienced professionals in other areas of Stroock's practice, and its creative approach to the resolution of issues, are and will

continue to contribute to the maximization of the distributions to the Debtors' unsecured creditors.

d. The Preclusion of Other Employment by Applicant Due to Acceptance of the Case. Due to the size of Stroock's insolvency department, Stroock's representation of the Committee has not precluded its acceptance of new clients. However, the volume of the matters needing attention on a continuing basis has required several of the attorneys to commit significant portions of their time to these cases.

e. The Customary Fee. The fee sought herein is based upon Stroock's normal hourly rates for services of this kind. Stroock respectfully submits that the fee sought herein is not unusual given the magnitude and complexity of these cases and the time expended in attending to the representation of the Committee, and is commensurate with fees Stroock has been awarded in other cases, as well as with fees charged by other attorneys of comparable experience.

f. Whether the Fee is Fixed or Contingent. Pursuant to §§ 330 and 331 of the Bankruptcy Code, all fees sought by professionals employed under § 1103 of the Code are contingent pending final approval by this Court, and are subject to adjustment dependent upon the services rendered and the results obtained.

g. Time Limitations Imposed by Client or Other Circumstances. As already indicated, Stroock has been required to attend to the various issues arising in these cases. Occasionally, Stroock has had to perform those services under significant time constraints requiring attorneys assigned to these cases to work evenings and on weekends.

h. The Amount Involved and Results Obtained. Through the efforts of Stroock, the Committee has been an active participant in these Chapter 11 cases from the very first days of its formation, and its assistance, as well as constructive criticism, has greatly contributed to the efficient administration of these cases.

i. The Experience, Reputation and Ability of the Attorneys. Stroock has one of the largest and most sophisticated insolvency practices in the nation and has played a major role in numerous cases of national import including: Acme Metals Incorporated, Allis-Chalmers Corporation, Anchor Glass Container Corporation, Barney's, Inc., Best Products Co., Inc., Burlington Motor Holdings, Inc., DESA Holdings, Federated Department Stores, Inc., Flushing Hospital and Medical Center, Formica Corp., Galey & Lord, Inc., Forstmann & Company, Inc., Fruehauf Trailer Corporation, G. Heileman Brewing Company, Inc., Gulf States Steel, Inc. of Alabama, Harnischfeger Industries, Inc., Hillsborough Holdings Corporation, JWP, Inc., Laclede Steel Company, Levitz Furniture Incorporated, Northwestern Steel & Wire Company, Orion Pictures Corp., Planet Hollywood International, Inc., RSL COM USA, Inc., The Charter Company, The Columbia Gas System, Inc., The LTV Corporation, The Resort at Summerlin/Regent Las Vegas, Wheeling-Pittsburgh Steel Corporation, W.R. Grace & Co. Inc. and Zale

Corporation. In addition to its expertise in the area of corporate reorganization, Stroock has already frequently called upon the expertise of its partners and associates in the litigation, tax and other areas to perform the wide-ranging scope of the legal work necessitated by these cases.

j. The “Undesirability” of the Case. These cases are not undesirable, but as already indicated, have required a significant commitment of time from several of the attorneys assigned hereto.

k. Nature and Length of Professional Relationship. As described above, Stroock has been actively rendering services on behalf of the Committee as necessary and appropriate from March 5, 2004 through to the present.

### ALLOWANCE OF COMPENSATION

43. With respect to the level of compensation, Section 330 of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person (including attorneys for a creditors’ committee): “Reasonable compensation for actual necessary services rendered by [such] . . . professional person.” 11 U.S.C. § 330. Section 330 further states that the court should take into consideration, inter alia, the nature, extent, and value of services performed, as well as the cost of comparable services other than in a case under this title. Id. The clear Congressional intent and policy expressed in this statute is to provide for adequate compensation in order to continue to attract qualified and competent attorneys to bankruptcy cases.

44. The total time spent by Stroock attorneys and paraprofessionals during the Eleventh Compensation Period was 331.5 hours. For such services, Stroock incurred fees amounting to \$166,799.50. The total time spent by Stroock attorneys and paraprofessionals during the Final Compensation Period was 5,138.1 hours. For such services, Stroock incurred fees amounting to \$2,514,317.25. Pursuant to the Administrative Fee Order, and because this is the Final Application, Stroock seeks final approval of its total compensation requested for the Total Compensation Period, including any amounts previously held back during such period.

45. During the Eleventh Compensation Period, Stroock incurred actual out-of-pocket expenses in connection with the rendition of the professional services to the Committee in the amount of \$825.49, for which Stroock respectfully requests reimbursement in full. During the Final Compensation Period, Stroock incurred actual out-of-pocket expenses in connection with the rendition of the professional services to the Committee in the amount of \$87,541.54 for which Stroock respectfully requests reimbursement in full. These disbursements and expenses were incurred in accordance with Stroock's normal practice of charging clients for expenses related to the legal services provided to such clients. Such expenses were often incurred to enable Stroock to devote time beyond normal office hours to matters, which imposed extraordinary time demands. Stroock has endeavored to minimize these expenses to the fullest extent possible.

46. Stroock's billing rates do not include charges for photocopying, telephone and telecopier toll charges, computerized research, travel expenses, "working meals", secretarial overtime, postage and certain other office services, because the needs of each client for such services differ. Stroock believes that it is fairest to charge each client only for the services actually used in performing services for it. Stroock has endeavored to minimize these expenses to the fullest extent possible.

47. Stroock charges \$.10 per page for in-house photocopying services, with respect to computerized research services Stroock charges the actual cost from the vendor, and \$1.00 per page for out-going facsimile transmissions. Stroock does not charge for incoming facsimiles.

48. No agreement or understanding exists between Stroock and any other person for the sharing of any compensation to be received for professional services rendered or to be rendered in connection with these cases.

49. Stroock has reviewed the requirements set forth in Delaware Local Rule 2016-2, entitled "Motion for Compensation and Reimbursement of Expenses," and as set forth in the affidavit of Wendell H. Adair, Jr., attached hereto as Annex "III" believes that this Final Application is fully in compliance with the rules set forth therein.

50. No prior application has been made in this or in any other Court for the relief requested herein for the Final Compensation Period.

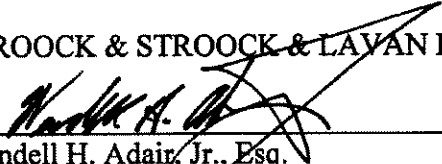
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**WHEREFORE**, Stroock respectfully requests that this Court enter an order:

1. Approving compensation for professional services rendered to the Committee during the Eleventh Compensation Period in the amount of \$167,849.50;
2. Approving the reimbursement of Stroock's out-of-pocket expenses incurred in connection with the rendering of such services during the Eleventh Compensation Period in the amount of \$825.49;
3. Approving compensation on a final basis for professional services rendered to the Committee during the Total Compensation Period in the amount of \$2,514,317.25, which amount includes \$7,500 for services rendered and reimbursement of expenses relating to the preparation and prosecution of this Final Application;
4. Approving the reimbursement of Stroock's out-of-pocket expenses on a final basis incurred in connection with the rendering of such services during the Total Compensation Period in the amount of \$87,541.54;
5. Directing payment of the foregoing amounts in accordance with the Administrative Fee Order to Stroock to the extent not yet paid, including the Holdback; and
6. Granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York  
March 30, 2005

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- and -

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