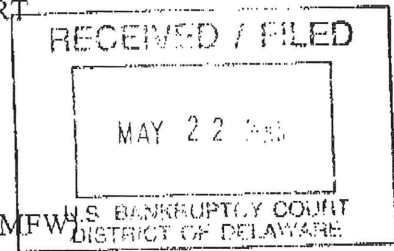


IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE



In re: _____ : Chapter 11
Philip Services (Delaware), Inc., et al., :
Debtors. :
_____ :

Case No. 99-02385 (MF)

COMBINED NINTH MONTHLY INTERIM APPLICATION AND FINAL APPLICATION
OF BLANK ROME COMISKY & McCAULEY LLP FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES

Name of Applicant: Blank Rome Comisky & McCauley LLP

Authorized to Provide Professional Services to: Official Committee of Unsecured Creditors of Philip Services (Delaware), Inc., et al.

Date of Retention: July 12, 1999

Period for which Compensation and Reimbursement Is Sought on Interim Basis: March 1, 2000 through April 6, 2000

Amount of Interim Compensation Requested: \$54,418.50

Amount of Expense Reimbursement Requested on Interim Basis: \$1,666.20

Amount of Compensation Requested on Final Basis for Period from July 12, 1999 through April 6, 2000: \$530,510.00

Amount of Expense Reimbursement Requested on Final Basis for Period from July 12, 1999 through April 6, 2000: \$43,418.35

This is a ninth monthly interim application and final application. The total time expended for preparation of this application is approximately 15 hours, and the corresponding compensation is not included herein.

The following is pertinent information regarding the prior fee applications submitted to the Court:

| Date Filed | Period Covered | Requested | | Approved | |
|------------|------------------|-------------|-------------|-------------|-------------|
| | | Fees | Expenses | Fees | Expenses |
| 9/27/99 | 7/12/99-7/31/99 | \$73,805.80 | \$ 3,902.63 | \$73,805.80 | \$ 3,902.63 |
| 10/25/99 | 8/1/99-8/31/99 | \$78,482.00 | \$ 8,375.13 | \$78,482.00 | \$ 8,375.13 |
| 11/25/99 | 9/1/99-9/30/99 | \$60,093.00 | \$10,539.20 | \$60,093.00 | \$10,539.20 |
| 12/27/99 | 10/1/99-10/31/99 | \$41,548.00 | \$ 9,209.11 | \$41,548.00 | \$ 9,209.11 |
| 1/25/00 | 11/1/99-11/30/99 | \$61,753.00 | \$ 356.67 | \$61,753.00 | \$ 356.67 |
| 2/25/00 | 12/1/99-12/31/99 | \$61,879.00 | \$ 5,440.11 | \$61,879.00 | \$ 5,440.11 |
| 3/24/00 | 1/1/00-1/31/00 | \$39,997.00 | \$ 2,850.80 | \$39,997.00 | \$ 2,850.80 |
| 4/25/00 | 2/1/00-2/29/00 | \$54,691.50 | \$ 1,078.41 | Pending | Pending |

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

| | | |
|---|---|-------------------------|
| In re: | : | Chapter 11 |
| Philip Services (Delaware), Inc., et al., | : | Case No. 99-02385 (MFW) |
| Debtors. | : | |

COMBINED NINTH MONTHLY INTERIM APPLICATION AND FINAL APPLICATION
OF BLANK ROME COMISKY & McCAULEY LLP
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES

TO THE HONORABLE MARY F. WALRATH, UNITED STATES BANKRUPTCY JUDGE:

This Combined Ninth Monthly Interim Application and Final Application for Compensation and Reimbursement of Expenses ("Fee Application") is filed by Blank Rome Comisky & McCauley LLP ("Blank Rome") requesting (i) interim approval for and payment for services rendered and reimbursement of costs expended on behalf of the Official Committee of Unsecured Creditors ("Committee") for the period from March 1, 2000 through and including April 6, 2000 (the last day before the Effective Date of the Plan (as defined below)) (the "Interim Application Period"); (ii) final approval for all services rendered and reimbursement of costs expended on behalf of the Committee by Blank Rome from the Retention Date (as defined below) to the Effective Date of the Plan (the "Final Application Period"); and (iii) payment of all unpaid services rendered and reimbursement of cost expended on behalf of the Committee for the Final Application Period.

1. On June 25, 1999, Philip Services (Delaware), Inc. along with approximately 135 of its affiliates (collectively, the "Debtors") filed a voluntary Petition under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").

2. On July 12, 1999 (the "Retention Date"), the Office of the United States Trustee appointed the Official Committee of Unsecured Creditors of Philip Services (Delaware), Inc., et al. (the "Committee"). The Committee is comprised of the following creditors: Republic Environmental Systems, Inc., Plasma Processing Corporation, Robert M. Chiste, First Union National Bank, Great Plains Trust Company, Kornitzer Capital Management, Inc., and Siemens Westinghouse Power Corporation. On the same day, the Committee selected Blank Rome as counsel to the Committee.

3. On November 30, 1999, this Court confirmed the First Amended Joint Plan of Reorganization of Philip Services (Delaware), Inc., et al. (the "Plan"). The Plan became effective on April 7, 2000 (the "Effective Date").

4. Blank Rome is a nationally recognized law firm with extensive experience and expertise in bankruptcy and reorganization proceedings, particularly with respect to the representation of creditors' committees. For example, Blank Rome served as counsel to the Unsecured Creditors' Committee in the following significant Chapter 11 cases: LTV Corporation, MAI Systems Corporation, Baldwin-United, US One Communications, Merry-Go-Round Enterprises, Inc. and Bill's Dollar Stores, Inc.

5. Presently, the core team having primary responsibility for representation of the Committee in this chapter 11 case is Raymond L. Shapiro, Bonnie Glantz Fatell, and William J. Burnett. Blank Rome draws upon the knowledge and skills of other firm attorneys to provide

specialized services and legal research as the needs arise. In addition, JoAnn Recchiuti, one of the firm's paralegals, is assigned to handle those aspects of the case that can best be managed by paraprofessionals to avoid excessive costs to the estate.

6. It should be noted that Blank Rome maintains offices in several locations including Wilmington, DE, with its principal office in Philadelphia, PA. In accordance with the local bankruptcy rules, a member of the Delaware bar (usually Bonnie Glantz Fatell) also accompanied out of state attorneys to hearings in these cases before this Court.

7. On or about September 27, 1999, Blank Rome filed the First Monthly Interim Application for compensation and reimbursement of expenses for the period July 12, 1999 through July 31, 1999 seeking approval of Interim Allowance of compensation for actual and necessary professional services rendered in the amount of \$73,805.80 and for reimbursement of reasonable and necessary expenses in the amount of \$3,902.63 (the "First Interim Fee Application"). This court approved the First Interim Fee Application granting Blank Rome compensation in the amount of \$73,805.80 and expenses in the amount of \$3,902.63. Blank Rome received payment from the Debtor with respect to the First Interim Fee Application.

8. On or about October 25, 1999, Blank Rome filed the Second Monthly Interim Application for compensation and reimbursement of expenses for the period August 1, 1999 through August 31, 1999 seeking approval of Interim Allowance of compensation for actual and necessary professional services rendered in the amount of \$78,482.00 and for reimbursement of reasonable and necessary expenses in the amount of \$8,375.13 (the "Second Interim Fee Application"). This court approved the Second Interim Fee Application granting Blank Rome

compensation in the amount of \$78,482.00 and expenses in the amount of \$8,375.13. Blank Rome received payment from the Debtor with respect to the Second Interim Fee Application.

9. On or about November 25, 1999, Blank Rome filed the Third Monthly Interim Application for compensation and reimbursement of expenses for the period September 1, 1999 through September 30, 1999 seeking approval of Interim Allowance of compensation for actual and necessary professional services rendered in the amount of \$60,093.00 and for reimbursement of reasonable and necessary expenses in the amount of \$10,539.20 (the "Third Interim Fee Application"). This court approved the Third Interim Fee Application granting Blank Rome compensation in the amount of \$60,093.00 and expenses in the amount of \$10,539.20. Blank Rome received payment from the Debtor with respect to the Third Interim Fee Application.

10. On or about December 27, 1999, Blank Rome filed the Fourth Monthly Interim Application for compensation and reimbursement of expenses for the period October 1, 1999 through October 31, 1999 seeking approval of Interim Allowance of compensation for actual and necessary professional services rendered in the amount of \$41,548.00 and for reimbursement of reasonable and necessary expenses in the amount of \$9,209.11 (the "Fourth Interim Fee Application"). This court approved the Fourth Interim Fee Application granting Blank Rome compensation in the amount of \$41,548.00 and expenses in the amount of \$9,209.11. Blank Rome received payment from the Debtor with respect to the Fourth Interim Fee Application.

11. On or about January 25, 2000, Blank Rome filed the Fifth Monthly Interim Application for compensation and reimbursement of expenses for the period November 1, 1999 through November 30, 1999 seeking approval of Interim Allowance of compensation for actual and necessary professional services rendered in the amount of \$61,753.00 and for reimbursement

of reasonable and necessary expenses in the amount of \$356.67 (the "Fifth Interim Fee Application"). This court approved the Fifth Interim Fee Application granting Blank Rome compensation in the amount of \$61,753.00 and expenses in the amount of \$356.67. Blank Rome received payment from the Debtor with respect to the Fifth Interim Fee Application.

12. On or about February 25, 2000, Blank Rome filed the Sixth Monthly Interim Application for compensation and reimbursement of expenses for the period December 1, 1999 through December 31, 1999 seeking approval of Interim Allowance of compensation for actual and necessary professional services rendered in the amount of \$61,879.00 and for reimbursement of reasonable and necessary expenses in the amount of \$5,440.11 (the "Sixth Interim Fee Application"). This court approved the Sixth Interim Fee Application granting Blank Rome compensation in the amount of \$61,879.00 and expenses in the amount of \$5,440.11. Blank Rome has not received any payment on account of the Sixth Interim Fee Application.

13. On or about March 24, 2000, Blank Rome filed the Seventh Monthly Interim Application for compensation and reimbursement of expenses for the period January 1, 2000 through January 31, 2000 seeking approval of Interim Allowance of compensation for actual and necessary professional services rendered in the amount of \$39,997.00 and for reimbursement of reasonable and necessary expenses in the amount of \$2,850.80 (the "Seventh Interim Fee Application"). This court approved the Seventh Interim Fee Application granting Blank Rome compensation in the amount of \$39,997.00 and expenses in the amount of \$2,850.80. Blank Rome has not received any payment on account of the Seventh Interim Fee Application.

14. On or about April 25, 2000, Blank Rome filed the Eighth Monthly Interim Application for compensation and reimbursement of expenses for the period February 1, 2000

through February 29, 2000 seeking approval of Interim Allowance of compensation for actual and necessary professional services rendered in the amount of \$54,681.50 and for reimbursement of reasonable and necessary expenses in the amount of \$1,078.41 (the "Eighth Interim Fee Application"). No objection has been filed to the Eighth Interim Fee Application, but interim court approval is still pending. Blank Rome has not received any payment on account of the Eighth Interim Fee Application.

15. Blank Rome hereby incorporates by reference the First Interim Fee Application, the Second Interim Fee Application, the Third Interim Fee Application, the Fourth Interim Fee Application, the Fifth Interim Fee Application, the Sixth Interim Fee Application, Seventh Interim Fee Application, and the Eighth Interim Fee Application into this Fee Application as if attached hereto in full and made a part hereof.

16. Blank Rome now submits this Ninth Monthly Interim Application and Final Fee Application pursuant to §§330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Administrative Order Pursuant to 11 U.S.C. §§105 and 331, Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated June 30, 1999 (the "Compensation Order"). By this Fee Application, Blank Rome requests (i) approval of interim allowance of compensation for actual and necessary professional services rendered in the amount of \$54,418.50 and for reimbursement of reasonable and necessary expenses in the amount of \$1,666.20 for the Interim Application Period, and (ii) final approval of all actual and necessary professional services rendered in the amount of \$530,510.00 and for reimbursement of reasonable and necessary expenses in the amount of \$43,418.35 for the Final Application Period.

17. During the Interim Application Period, the total number of hours expended by Blank Rome professionals and paraprofessionals in performing professional services for the Committee was 223 hours at a blended billing rate of \$244.03 per hour. The value of these services has been computed at the rates Blank Rome customarily charges for similar services provided to other clients.

18. A summary of the time expended during the Interim Application Period by all professionals and paraprofessionals engaged in the representation of the Committee to assist the Committee in carrying out its duties under 11 U.S.C. § 1103 is attached hereto as Exhibit "A."

19. A Summary Schedule by Project Code and a detailed Summary of Services which provide a narrative description of all services rendered to the Committee by Blank Rome during the Interim Application Period itemized by project code category are attached hereto as Exhibit "B."

20. A detailed chronological itemization of the services rendered by each attorney and paraprofessional, calculated by tenths of an hour during the Interim Application Period, is attached hereto as Exhibit "C."

21. A Schedule of Disbursements during the Interim Application Period is attached hereto as Exhibit "D."

22. During the Final Application Period, the total number of hours expended by Blank Rome professionals and para-professionals in performing services for the Committee was 2,192.3 hours at a blended billing rate of \$241.99 per hour. The value of these services has been computed at the rates Blank Rome customarily charges for similar services provided to other clients.

23. A Summary of the time expended during the Final Application Period by all professionals and para-professionals engaged in their representation of the Committee to assist the Committee in carrying out its duties under 11 U.S.C. § 1103 is attached hereto as Exhibit "E."

24. A Summary Schedule by Project Code and a detailed Summary of Services which provide a narrative description of all services rendered to the Committee by Blank Rome during the Final Application Period itemized by the Project Code are attached hereto as Exhibit "F."

25. Blank Rome submits that the services rendered to the Committee during the Interim Application Period and the Final Application Period were actual and necessary, that the compensation sought is reasonable and in accordance with the standards of 11 U.S.C. § 330 and the expenses for which reimbursement is sought were actual and necessary.

26. Blank Rome seeks this Court's approval for the total fees for services rendered and disbursements in the amounts set forth above for the Interim Application Period and seeks final approval for all fees for services rendered and disbursements in the amount set forth above for the Final Application Period. Blank Rome also seeks an order directing the Debtors to timely pay all amounts which remain unpaid including, without limitation, amounts due pursuant to the Sixth Interim Fee Application, Seventh Interim Fee Application, Eighth Interim Fee Application and this Fee Application.

27. As required by the Administrative Order, a copy of this Application has been served upon the Debtors, their counsel, counsel to the Debtors' Lenders, the Office of the United States Trustee and members of the Committee.

28. Blank Rome has reviewed the requirements of Order Number 32 of the General Orders of the District of Delaware dated December 12, 1996 titled Contents of Application for Compensation and Expenses ("Order 32"). This Application complies with Order 32.

29. No compensation previously received has been shared. No agreement or understanding exists between Blank Rome and any other entity for the sharing of compensation received or to be received for services rendered in or in connection with this case.

30. During the entire course of this case, Blank Rome worked diligently to maximize the amount and the value of distributions available for Class 7 Creditors under the Plan. At all times, Blank Rome acted in a cost-effective manner by negotiating with the Debtors, its Lenders and other constituencies in reaching fair and reasonable resolutions of issues in the context of achieving a consensual plan of reorganization which was confirmed by this Court and is now effective.

31. Specifically, Blank Rome engaged in intense discussions and negotiations with parties in interest over the terms of the Plan and how the Plan affects Class 7 Creditors distributions. These negotiations resulted in an enhancement of the value of distributions which Class 7 Creditors are entitled to receive. Further, Blank Rome negotiated the terms of the Indentures which contain the terms and conditions of the PIK and Convertible Notes which are to be distributed to Class 7 Creditors. Through Blank Rome's efforts, the Indentures were revised to favorably affect the market value of these Convertible and PIK Notes.

32. Because the Plan provides that holders of Allowed Class 7 Claims are to receive a pro rata share of a fixed distribution pool (commonly referred to as a "pot plan"), Blank Rome, at the instruction of the Committee, spent a significant amount of time reviewing and analyzing

claims of creditors seeking to share in the Class 7 Distributions. Blank Rome intensely scrutinized the claims, settlements, objections and reserves for Class 7 Claims proposed by the Debtors. Blank Rome also negotiated and settled many claims, filed objections and legal briefs and litigated the value of other claims thereby substantially increasing the pro rata entitlement of holders of Allowed Class 7 Claims by reducing the total amount of Class 7 Claims.

33. Overall, in the context of this complex, multi-national reorganization, Blank Rome successfully and efficiently worked with all parties in interest to achieve an optimal result for the Committee and its constituency through a consensual process.

WHEREFORE, Blank Rome respectfully requests that this Court: (i) approve this Ninth Monthly Interim and Final Fee Application for services rendered for the Interim Application Period in the amount of \$54,418.50 and reimbursement of expenses in the amount of \$1,666.20; (ii) approve the First Interim Fee Application, the Second Interim Fee Application, the Third Interim Fee Application, the Fourth Interim Fee Application, the Fifth Interim Fee Application, the Sixth Interim Fee Application, the Seventh Interim Fee Application, the Eighth Interim Fee Application, and this Application on a final basis in the total amount of \$530,510.00 for professional services rendered and \$43,418.35 for reimbursement of reasonable and necessary

expenses; (iii) authorize and direct the Debtors to timely pay Blank Rome all amounts which remain unpaid including amounts due pursuant to the Sixth Interim Fee Application, the Seventh Interim Fee Application, the Eighth Interim Fee Application and this Interim Fee Application; and (iv) enter any other and further relief as the Court deems proper and just.

BLANK ROME COMISKY & McCAULEY LLP

Dated: May 22, 2000
Wilmington, Delaware

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