

Hearing Date: September 29, 1999
Hearing Time: 2:30 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
: : Case No. 95 B 43065 (PB)
PCG Corp. I, et al., : Jointly Administered
: :
: :
Debtors. :
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**FINAL APPLICATION OF BERLACK,
ISRAELS & LIBERMAN LLP FOR AWARD OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES AS
SPECIAL COUNSEL TO THE BONDHOLDER SUBCOMMITTEE**

**TO THE HONORABLE PRUDENCE BEATTY,
UNITED STATES BANKRUPTCY JUDGE:**

Berlack, Israels & Liberman LLP ("BI&L"), special counsel to the Bondholder Subcommittee (the "Bondholder Subcommittee") of the Official Committee of Unsecured Creditors (the "Official Committee") of debtor and debtor-in-possession PCG Corp. I, formerly known as Plaid Clothing Group, Inc. ("Plaid"), and affiliated debtors (the "Subsidiaries" and, together with Plaid, the "Debtors"), as and for its Final Application for Award of Compensation and Reimbursement of Expenses as Special Counsel to the Bondholder Subcommittee (the "Final Application") respectfully states as follows:

INTRODUCTION

1. Pursuant to Sections 330 and 331 of Title 11 of the United States Code (the "Bankruptcy Code"), Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy

Rules"), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, approved April 19, 1995 (the "Amended Guidelines"), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (the "UST Guidelines"), BI&L respectfully requests this Court's granting: (a) final allowance of compensation as set forth in BI&L's First Interim Application for Award of Compensation and Reimbursement of Expenses filed on November 29, 1995 ("First Application") in the amount of \$20,237.00 (including the 10% holdback) and \$546.30 in expenses related thereto; (b) final allowance of compensation as set forth in BI&L's Second Interim Application for Award of Compensation and Reimbursement of Expenses filed on April 3, 1996 ("Second Application") in the amount of \$21,997.50 and \$1,547.51 in expenses; (c) final allowance of compensation as set forth in BI&L's Third Interim Application for Award of Compensation and Reimbursement of Expenses filed on December 3, 1996 ("Third Application") in the amount of \$61,890.00 (including 30% holdback) and \$3,170.96 in expenses; (d) final allowance of compensation as set forth in BI&L's Fourth Interim Application for Award of Compensation and Reimbursement of Expenses filed on September 3, 1997 ("Fourth Application") in the amount of \$15,476.00 (including a 25% holdback) and \$822.95 in expenses; (e) final allowance of compensation for services rendered from August 1, 1997 through and including July 8, 1999 as set forth in this Final Application for Award of Compensation and Reimbursement of Expenses ("Final Application") in the amount of \$5,521.50 and \$245.75 in expenses; and (f) approval of and directing payment to BI&L for \$30,226.95, representing all amounts due to it as of July 8, 1999, comprised of all previously withheld amounts totaling \$24,459.70 and fees and expenses incurred during the Final Application period totaling \$5,767.25.

2. BI&L herein incorporates by reference its First, Second, Third and Fourth Applications which are attached hereto as Exhibit G, or are otherwise available at the United States Bankruptcy Court for the Southern District of New York.

3. During the First Application period, 54.6 hours were expended by partners of BI&L, 8.0 hours were spent by associates of BI&L and 1.8 hours were expended by BI&L's paraprofessionals, all in connection with BI&L's representation of the Bondholder Subcommittee. BI&L's blended hourly rate during the First Application period was \$334.86.

4. During the Second Application period, 53.6 hours were expended by partners of BI&L, 33.4 hours were spent by associates of BI&L and 19.4 hours were expended by BI&L's paraprofessionals, all in connection with BI&L's representation of the Bondholder Subcommittee. BI&L's blended hourly rate during the Second Application period was \$249.02.

5. During the Third Application period, 219.9 hours were expended by partners, 29.3 hours were spent by associates, and 37.3 hours were expended by paraprofessionals, all in connection with BI&L's representation of the Bondholder Subcommittee. BI&L's blended hourly rate during the Third Application period was \$267.55.

6. During the Fourth Application period, 36.8 hours were expended by partners, 20.3 hours were spent by BI&L associates and 12.3 hours were expended by BI&L paraprofessionals, all in connection with representation of the Bondholder Subcommittee. BI&L's blended hourly rate during the Fourth Application period was \$223.00.

7. During this Final Application period, 4.4 hours were expended by partners, 18.5 hours were spent by BI&L associates and 4.9 hours were expended by BI&L paraprofessionals, all in connection with representation of the Bondholder Subcommittee. BI&L's blended hourly rate during the Final Application period was \$217.58.

8. Pursuant to the Amended Guidelines and the UST Guidelines, attached is a cover sheet which sets forth the name and billing rate of, as well as the hours worked by, each BI&L professional and paraprofessional during the Final Application period. The cover sheet also states the year each professional was licensed to practice law and his/her relative position in the firm (i.e., partner or associate).

9. BI&L is not seeking any enhancement of its fees over the fees it would have customarily charged for the services performed and hours worked by its professional and paraprofessional staff.

10. Annexed hereto as Exhibit A is the Certification of Edward S. Weisfelner, as required by the Amended Guidelines.

11. Annexed hereto as Exhibit B is the Affidavit of Edward S. Weisfelner, in accordance with Bankruptcy Rule 2016(b).

CASE BACKGROUND

12. On July 17, 1995 (the "Petition Date"), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Pursuant to an Order of the Court, the Debtors' chapter 11 cases were consolidated for procedural purposes only and are being jointly administered.

13. Prepetition, the Debtors collectively constituted the second largest manufacturing operation of men's and boys' tailored clothing in the United States. The Debtors were engaged in the design, manufacture and sale of men's and boys' suits, sport coats, trousers, rainwear and overcoats. Their products were offered to department stores and specialty stores under various licensed brand names, including such nationally recognized names as Burberry's and under its own brand names, including Palm Beach and Brannoch.

14. The Debtors sold substantially all of their assets pursuant to an Order of this Court and the agreement discussed below in greater detail.

THE BONDHOLDER SUBCOMMITTEE

15. Prepetition, Plaid issued \$75 million principal amount of 11% Senior Subordinated Notes due 2003 (the "Bonds") of which there are approximately 78 record holders (the "Bondholders"). The Bonds were guaranteed by the Subsidiaries and represented the vast majority of the Debtors' prepetition obligations.

16. On July 26, 1995, the United States Trustee formed the Official Committee of Unsecured Creditors (the "Official Committee"). The United States Trustee initially constituted the Official Committee with nine members, only two of which were Bondholders. The Bondholders, however, objected to the United States Trustee's structure of the Official Committee, asserting that their particular interests would be inadequately represented on the Official Committee as then constituted.

17. On or about July 28, 1995, the United States Trustee added two additional members to the Official Committee, consisting of an additional Bondholder and the indenture trustee for the Bonds.

18. The Bondholders on the Official Committee considered a number of options to enhance their representation in these cases. Among the options initially considered was a motion to appoint a separate Official Bondholders' Committee, or, alternatively, a motion to reconstitute the Official Committee to more properly reflect the Debtors' unsecured debt structure. The Bondholders agreed to a compromise to ensure adequate representation of all creditor constituencies. Specifically, that agreement provided for the creation of a separate Bondholder Subcommittee, consisting of the Bondholders that were Official Committee members, with separate legal representation.

19. On September 11, 1995, this Court signed an Order approving the retention and employment of BI&L as special counsel to the Bondholder Subcommittee (the "Retention Order").

20. In accordance with the Retention Order, BI&L advised the Bondholder Subcommittee (particularly with respect to the unique interests of Bondholders) on all matters regarding the Debtors' cases, and participated in all out-of-court conferences and meetings in these cases. BI&L was entitled to all the privileges and rights that would have been afforded to any counsel for an official creditors' committee. However, BI&L was not entitled to take any in-Court positions contrary to the Official Committee, except on matters relating to: (i) the negotiation, formulation, development and prosecution of any plans of reorganization or liquidation and related disclosure statements (including, without limitation, the extension, reduction or termination of the Debtors' exclusive periods under Bankruptcy Code Section 1121); (ii) the conversion of any one or more of these chapter 11 cases to cases under chapter 7 of the Bankruptcy Code; (iii) the appointment of a trustee or examiner; (iv) the continuing role of the Bondholder Subcommittee; and (v) out of the ordinary course transactions that, individually or collectively, had a financial impact on the Debtors' estates of at least \$25 million, including, but not limited to, any asset sales that may have arisen herein.

21. The Retention Order capped BI&L's monthly allowable fees for services rendered as special counsel for the Bondholder Subcommittee at \$7,500.00, payable upon approval of this Court in accordance with Sections 330 and 331 of the Bankruptcy Code. The Retention Order did not cap the amount of reimbursable expenses incurred by BI&L in connection with its representation of the Bondholder Subcommittee.

22. On June 21, 1996, this Court signed an order (the "Amended Retention Order") amending the Retention Order so as to increase the monthly cap on BI&L's allowable fees from \$7,500 to \$15,000. The Amended Retention Order became effective as of May 1, 1996. The

only month in which BI&L surpassed the Court's monthly cap was October, 1996, at which time BI&L reduced its rates so as to comply with the Amended Retention Order. A table indicating the monthly fees generated by BI&L with respect to the Court's fee cap is provided in Exhibit C for the Final Application period and in Exhibit G for the prior application periods.

SERVICES RENDERED BY BI&L

23. From the date engaged to represent the Bondholder Subcommittee, BI&L assisted the Bondholder Subcommittee in maintaining close scrutiny of the Debtors' business operations and financial performance. Specifically, BI&L assisted the Bondholder Subcommittee in analyzing the level of Plaid's operating losses and its ability to withstand such losses. BI&L closely examined the financial reports and data prepared by the Debtors' accountants as well as their legal and financial advisors in an ongoing effort to resolve the Debtors' continuing negative cash flow.

24. In that regard, BI&L also spent considerable time and effort assisting the Bondholder Subcommittee in examining the Debtors' manufacturing and business operations and in closely monitoring the Debtors' efforts to consolidate its manufacturing operations. BI&L questioned the Debtors and their advisors regarding the financial effects of each proposed alteration on the Debtors' operations in an effort to ensure maximum efficiency and cost reduction.

25. By spring 1996, however, it became overwhelmingly apparent that the Debtors' efforts towards a financial restructuring and business turnaround would be unsuccessful. The reports issued by Debtors' financial advisors revealed that Debtors' negative cash flow reached a critical point resulting in numerous parties in interest and professionals earnestly questioning the Debtors' viability. BI&L, on behalf of the Bondholder Subcommittee, determined that the Bondholder Subcommittee should retain separate financial advisors to advise it of the Debtors' options. The Bondholder Subcommittee selected Gordian Group, L.P. ("Gordian") as its financial advisor. After

numerous discussions, the Bondholder Subcommittee and the Official Committee agreed that Gordian would serve as the Official Committee's financial advisor, subject to Bankruptcy Court approval. The Court subsequently approved Gordian's retention as the Official Committee's financial advisor.

26. BI&L, together with Gordian and professionals retained by the Official Committee and the Debtors, expended extensive professional resources researching possible business options available for the Debtors, including liquidation, to discern the most beneficial option for the Debtors' estates.

27. Gordian and the Debtors' financial advisors determined that it would be necessary for the Debtors to pursue a third party investment (whether in the form of a sale, merger or equity infusion). In that regard, an offering memorandum was prepared and delivered to potential purchasers and/or investors. BI&L assisted the Bondholder Subcommittee in monitoring this solicitation process to ensure that maximum value would be obtained. BI&L also reviewed the standard form of asset purchase agreement provided to potential bidders.

28. Ultimately, two offers for a purchase of substantially all of the Debtors' assets emerged -- one by Hartmarx Corporation ("Hartmarx") and one by an affiliate of Plaid's largest shareholder. BI&L assisted the Bondholder Subcommittee in its consideration of both offers, as well as other options, including liquidation of the Debtors. BI&L was instrumental in the negotiations pursuant to which the consideration offered particularly by Hartmarx, was modified and enhanced.

29. After negotiations with both bidders, it was determined that the Hartmarx offer was higher and better. The Debtors and Hartmarx first executed a letter of intent, dated October 16, 1996 (the "LOI"). The LOI contained various provisions regarding a breakup fee and expense reimbursements that were supported by the Bondholder Subcommittee in order to ensure a competitive

bidding environment. The Bankruptcy Court approved these provisions as well as certain other bidding procedures.

30. Subsequently, the LOI provisions were memorialized in the Asset Purchase Agreement, dated November 5, 1996 (the “APA”), subject to Bankruptcy Court approval and higher and better offers. The consideration offered by Hartmarx, however, despite the efforts of BI&L and other professionals, appeared to render the Debtors’ estates dangerously close to being administratively insolvent. The Bondholder Subcommittee, therefore, did not believe that it could support the Hartmarx transaction.

31. Thereafter, BI&L dedicated its professional resources to obtain some recovery for the Bondholders. Among other things, BI&L engaged counsel to the Official Committee in a virtually continuous dialogue regarding strategies to obtain recovery for Bondholders, as well as all general unsecured creditors.

32. BI&L then became a vocal participant in discussions with counsel to the Debtors, the Official Committee and Hartmarx regarding the provision of some payout to the Bondholders through a purchase of their claims. Hartmarx determined that it wanted the ongoing goodwill and support of the financial community (i.e., the Bondholders), as well as certain suppliers. Accordingly, Hartmarx agreed, subject to Bankruptcy Court approval, to provide warrants to purchase common stock of Hartmarx and certain royalty payments to the Debtors’ general unsecured creditors, including the Bondholders. With certain modifications to the agreed upon arrangement, on November 22, 1996, the Bankruptcy Court approved the delivery of the consideration to the general unsecured creditors, as well as the Debtors’ sale of substantially all of their assets to Hartmarx.

33. In sum, BI&L's efforts were instrumental in ensuring that the Bondholders received a recovery from these Chapter 11 cases, even though collectively, the Debtors' estates appeared to be administratively insolvent.

34. In addition, BI&L handled numerous miscellaneous and administrative matters on behalf of the Bondholder Subcommittee. For example, BI&L appeared at, and often was a vocal part of, all Official Committee meetings. At these meetings BI&L consistently voiced the special concerns of the Bondholder Subcommittee. Following each such meeting, BI&L summarized for the members of the Bondholder Subcommittee who could not be present what transpired and what agreements were reached. BI&L explained to the Bondholder Subcommittee the legal and business implications of the items discussed and agreements reached at the Official Committee meetings, and answered all questions relating thereto. Further, BI&L assisted counsel to the Official Committee in communicating effectively with the members of the Official Committee, especially the members of the Bondholder Subcommittee.

35. Of equal importance, BI&L called for several meetings of the Bondholder Subcommittee during the proceedings. During these meetings, BI&L provided the members of the Bondholder Subcommittee with case status summaries and discussed strategy, especially with regard to the Debtors' financial difficulties and the potential sale of the Debtors' businesses. BI&L spearheaded these meetings, which were often attended by Plaid's officers and/or the Official Committee's financial advisors, and communicated to Plaid and the Official Committee's financial advisors the concerns held by the Bondholders.

36. As a member of the Official Committee's executive committee (the "Executive Committee"), Edward S. Weisfelner, the BI&L partner in charge of this engagement, considered and participated in discussions regarding the issues focused on by the Executive Committee during the

case. Specifically, BI&L and the other members of the Executive Committee spent many hours considering the Debtors' critical financial difficulties and the proposed sale transactions. BI&L reviewed all other Court documents and motions filed and correspondences exchanged and explained their significance to the Bondholder Subcommittee. Finally, BI&L professionals closely reviewed the Plan of Reorganization and maintained a complete understanding of confirmation issues.

37. BI&L worked to maintain the efficient, complimentary, and non-adversarial relationship with counsel to the Official Committee which had been established from the beginning of the case so that the Bondholder Subcommittee and other members of the Official Committee were able to reach unified positions on all matters of consequence to these estates.

PRIOR APPLICATIONS

38. This is the final application to be filed by BI&L. On November 29, 1995, BI&L caused to be filed its First Application, wherein BI&L sought \$20,237.00 in compensation and \$546.30 in expenses. Following a hearing held on December 12, 1995 concerning, *inter alia*, the First Application, the Court awarded BI&L \$18,213.30 in compensation (holding back \$2,023.70, or 10%, of the compensation requested) and \$546.30 in expenses (100% of the amount requested).

39. On April 3, 1996, BI&L caused to be filed its Second Application, wherein BI&L sought \$21,997.50 in compensation and \$1,547.51 in expenses. Following a hearing held on May 2, 1996 concerning, *inter alia*, the Second Application, the Court awarded BI&L \$21,997.50 in compensation and \$1,547.51 in expenses (100% of the amounts requested).

40. On December 3, 1996, BI&L caused to be filed its Third Application, wherein BI&L sought \$61,890.00 in compensation and \$3,170.96 in expenses. Following a hearing held on December 17, 1996 concerning, *inter alia*, the Third Application, the Court awarded BI&L

\$43,323.00 (holding back \$18,567.00, or 30%, of the compensation requested) and \$3,170.96 in expenses (100% of the amount requested).

41. On September 3, 1997, BI&L caused to be filed its Fourth Application, wherein BI&L sought \$15,476.00 in compensation and \$822.95 in expenses. Following a hearing concerning the Fourth Application, the Court awarded BI&L \$11,607.00 (holding back \$3,869.00, or 25%, of the compensation requested) and \$822.95 in expenses (100% of the amount requested).

42. The First, Second, Third and Fourth Applications are attached hereto as Exhibit G, or are otherwise available at the United States Bankruptcy Court for the Southern District of New York.

COMPENSATION REQUESTED

43. The professional services rendered by BI&L have required an expenditure of substantial time and energy, although every effort has been made to keep BI&L's time expended to the lowest amount practicable. BI&L further submits that the professional services rendered to the Bondholder Subcommittee for which it seeks final compensation were necessary and appropriate to its representation of the Bondholder Subcommittee and were not duplicative of the services performed by other counsel in these cases. A summary of BI&L's professional compensation for the Final Application period is provided as Exhibit D.

44. As this Court is aware, time devoted is only one of the many pertinent factors in assessing an award of compensation. The number of hours expended must be considered in light of: (a) the amounts involved and the results achieved, (b) the novelty and difficulty of the questions presented, (c) the skill required to properly perform the legal services, (d) the preclusion of other employment, (e) the customary fee to a private client for the services rendered, (f) awards in similar cases, (g) time constraints required by the exigencies of the case, including the frequency and amount

of time required to be devoted other than during regular business hours, (h) the experience, reputation and ability of the attorneys rendering services, and (i) the nature and length of the professional relationship with the client. BI&L believes that application of the foregoing criteria more than justifies the compensation requested.

45. The time and effort expended by BI&L in representing the Bondholder Subcommittee, the complexity of the legal issues involved, and the pace of this proceeding are a matter of record herein. As set forth in detail in the time records attached hereto as Exhibit F, BI&L was required to furnish substantial services which have at times completely occupied the time of one or more of its attorneys.

46. BI&L submits that its services were of benefit to the members of the Bondholder Subcommittee and the Bondholders in general, and helped ensure that their interests were adequately represented in these cases.

47. BI&L has extensive experience in bankruptcy matters and was well qualified to represent the Committee in this case. For example, BI&L has represented official creditors' or equity committees in the following significant Chapter 11 cases:

- A.H. Robbins Company, Incorporated (E.D. Va.)
- Allis-Chalmers Corporation (S.D.N.Y.)
- Anglo Energy Limited (S.D.N.Y.)
- BASIX Corporation (S.D.N.Y.)
- Caldor Corporation (S.D.N.Y.)
- Carolina Steel Corporation (S.D.N.Y.)
- Continental Airlines, Inc. (S.D. Tex.)
- Crazy Eddie, Inc. (S.D.N.Y.)
- David Schick and Venture Mortgage Corp. (S.D.N.Y.)
- Days Inns of America, Inc. (D. Del.)
- Eastern Air Lines, Inc. (S.D.N.Y.)
- Gordon Jewelry Corporation (Zale Corporation) (N.D. Tex.)
- Insilco Corporation (W.D. Tex.)
- Integrated Resources, Inc. (S.D.N.Y.)
- Mercury Finance Company (N.D. Ill.)

NACO Finance Corporation (N.D. Tex.)
Prisma Systems Corporation (N.D.N.Y.)
Revere Copper and Brass (S.D.N.Y.)
R.H. Macy & Co., Inc. (S.D.N.Y.)
Salant Corporation (S.D.N.Y.)
Service America Corporation (D. Conn.)
Texscan Corporation (D. Ariz.)
Todd Shipyards Corporation (D.N.J.)
Tracor Holdings, Inc. (W.D. Tex.)
Trump Taj Mahal Associates (D.N.J.)

48. In addition, BI&L's bankruptcy and reorganization group also has an extensive practice in the area of in and out-of-court restructurings and has represented unofficial steering committees in connection with restructurings, exchange offers and/or solicitations of consents involving a number of major corporations, including the following: American Buildings Company; Avalon Marketing; Wommetco Cable TV, Inc.; Fruehauf Corporation; GAF Corporation; Grand Union Acquisition Corp.; KDI, Corp.; New World Entertainment; SCI Television; Seaman Furniture Company, Inc.; TransWorld Airways; and Uniroyal Chemical. BI&L has also represented numerous debtors, including The Washington Corporation, Keene Corporation, Triangle Wire & Cable, Inc., and Equitable Bag Co., Inc. in both in-court and out-of-court restructurings. Further, BI&L has represented or is representing unofficial committees or individual creditors or equity security holders in a similar prominent roster of in-court and out-of-court matters, including: Arizona Charlie's, Inc., Capital Queen Casino, Inc., Greate Bay Hotel & Casino (The Sands), Harrah's Jazz, Marvel Entertainment Group, Inc., MobileMedia Communications, Inc., Stratosphere Corporation, and Granite Partners, L.P.

49. BI&L submits that under all of the foregoing criteria normally examined in reorganization cases, and based upon the factors to be considered in accordance with Sections 330 and

331 of the Bankruptcy Code, the work that has been performed to date more than substantiates the charges requested by BI&L.

50. BI&L requests an award of compensation in accordance with the Retention Order and the Amended Retention Order for this Final Application period in the amount of \$5,521.50. BI&L is seeking herein only its normal time charges without any bonus or multiplier; the fees requested are, on an hourly basis, no more than BI&L would charge to a private client seeking the same services.

REQUESTED REIMBURSEMENT OF OUT-OF-POCKET EXPENSES

51. During the Final Application period, BI&L disbursed the amounts set forth in Exhibit E in the aggregate amount of \$245.75. BI&L submits that such expenses were necessary and reasonable in scope and amount. BI&L's regular practice is to charge its clients for these out-of-pocket disbursements.

52. In this Final Application for payment of disbursements, BI&L seeks \$141.80 for photocopies made in connection with this case during the Final Application period. BI&L charges twenty cents (\$.20) per page for in-house photocopying, which it believes approximates its per page copying cost.

53. In this Final Application, BI&L seeks \$26.00 reimbursement for outgoing facsimiles made in connection with this case during the Final Application period. The costs for outgoing facsimile transmissions are not readily determinable and BI&L seeks reimbursement of such charges at \$1.00 per page for local facsimile and \$1.25 for long distance. The total facsimile charge for which reimbursement is sought includes both local and long distance facsimile transmissions. It is BI&L's belief, formed after reasonable inquiry, that all facsimile charges were reasonably and necessarily incurred. The Final Application does not seek reimbursement for incoming facsimile transmissions.

54. For overnight delivery and messenger service during the Final Application period, BI&L seeks \$63.00. During the Final Application period, BI&L was required to use overnight and messenger delivery of documents and other materials, instead of regular mail, as a result of certain time constraints imposed in this case.

55. BI&L made every effort to minimize expenses in the Debtors' cases. The expenses incurred in rendering professional services were necessary and reasonable to serve the needs of the Debtors, their estates, and their equity holders.

56. As stated in the affidavit of Edward S. Weisfelner annexed hereto as Exhibit B, BI&L has not agreed to share any compensation to be received herein with any other person in violation of law.

WHEREFORE, BI&L respectfully requests that the Court enter an order granting:

(a) final allowance of compensation as set forth in BI&L's First Application in the amount of \$20,273.00 (including the 10% holdback) and \$546.30 in expenses related thereto; (b) final allowance of compensation as set forth in BI&L's Second Application in the amount of \$21,997.50 and \$1,547.51 in expenses; (c) final allowance of compensation as set forth in BI&L's Third Application in the amount of \$61,890.00 (including 30% holdback) and \$3,170.96 in expenses; (d) final allowance of compensation as set forth in BI&L's Fourth Application in the amount of \$15,476.00 (including a 25% holdback) and \$822.95 in expenses; (e) final allowance of compensation for services rendered from August 1, 1997 through and including July 8, 1999 as set forth in this Final Application in the amount of \$5,521.50 and \$245.75 in expenses; (f) approval of and directing payment to BI&L in the amount of \$30,226.95 (comprising \$5,767.25 for services rendered and expenses disbursed during the Final Application period and \$24,459.70 for amounts previously withheld by this Court); and (g) BI&L such other and further relief as is just and proper.

Dated: New York, New York
August 16, 1999

BERLACK, ISRAELS & LIBERMAN LLP
Special Counsel to the Bondholder Subcommittee

By: /s/ Edward S. Weisfelner
Edward S. Weisfelner (EW 5581)

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