

FTI CONSULTING, INC.
Three Times Square
New York, New York 10036
(212) 247-1010
Neal Hochberg

Forensic Accountants and Electronic Evidence Consultants for
Refco Inc., et al., Reorganized Debtors and Creditors' Committee

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

	x	
	:	Chapter 11
In re:	:	Case No: 05-60006 (RDD)
REFCO., Inc., et al.	:	
	:	
Debtors.	:	
	x	

**FOURTH INTERIM FEE APPLICATION OF FTI CONSULTING, INC. AS
FORENSIC ACCOUNTANTS AND ELECTRONIC EVIDENCE
CONSULTANTS TO THE DEBTORS AND OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FROM OCTOBER 1, 2006 THROUGH DECEMBER 26, 2006¹**

AND

**FINAL FEE APPLICATION OF FTI CONSULTING, INC. AS
FORENSIC ACCOUNTANTS AND ELECTRONIC EVIDENCE
CONSULTANTS TO THE DEBTORS AND OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FROM OCTOBER 18, 2005 THROUGH DECEMBER 26, 2006¹**

<i>Name of Applicant:</i>	FTI Consulting, Inc.
<i>Authorized to Provide Professional Services To:</i>	Refco Inc., et al., Debtors, and Official Committee of Unsecured Creditors
<i>Date of Retention:</i>	January 31, 2006

¹ In addition to the amounts through December 26, 2006, also included in this fee application are fees incurred subsequent to December 26, 2006 in the amount of \$28,485.50 for professional time to prepare the fourth and final fee application.

Fourth Interim Application

Period for which Compensation and Reimbursement is Sought:

October 1, 2006 through December 26, 2006

Amount of Compensation Sought as Actual, Reasonable, and Necessary:

- Professional Services: \$ 253,661.00

Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary:

- Document Production: \$ 1,201,610.69
- Out of Pocket Expenses:² \$ 7,526.86
- TOTAL: \$ 1,209,137.55

This is an: X Interim Final Application

Final Application

Period for which Compensation and Reimbursement is Sought:

October 18, 2005 through December 26, 2006

Amount of Compensation Sought as Actual, Reasonable, and Necessary:

- Professional Services:³ \$ 5,820,968.00

Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary:

- Document Production: \$ 7,158,901.58
- Out of Pocket Expenses: \$ 291,519.41
- TOTAL: \$ 7,450,420.99

This is a: Interim X Final Application

Summary of Total Fees and Expenses

Date Filed / Period Covered	Fees Incurred	Expenses Incurred	Fees Paid	Expenses Paid	Outstanding Balance
3/24/2006 First Interim 10/18/ 2005 - 1/31/2006	\$ 707,378.00	\$ 634,526.20	\$ 707,378.00	\$ 634,526.20	\$ -
7/20/2006 Second Interim 2/1/2006 - 5/31/2006	\$ 3,244,268.00	\$ 2,645,111.38	\$ 3,244,268.00	\$ 2,645,111.38	\$ -
11/15/2006 Third Interim 6/1/2006 - 9/30/2006	\$ 1,615,661.00	\$ 2,961,645.86	\$ 1,615,661.00	\$ 2,961,645.86	\$ -
2/26/2007 Fourth Interim 10/1/2006 - 12/26/2006	\$ 253,661.00	\$ 1,209,137.55	\$ 136,875.60	\$ 1,207,206.82	\$ 118,716.13
Total	\$ 5,820,968.00	\$ 7,450,420.99	\$ 5,704,182.60	\$ 7,448,490.26	\$ 118,716.13

² In addition to the amounts related to October 1, 2006 through December 26, 2006, also included in this interim fee application are amounts related to September 2006 out of pocket expenses.

³ Travel time has been processed at 50% of time/cost.

FTI CONSULTING, INC.
SUMMARY OF FEES BY INDIVIDUAL FOR THE PERIOD
FROM OCTOBER 1, 2006 THROUGH DECEMBER 26, 2006

PROFESSIONAL SERVICES

Professional	Position*	Billing Rate*	Total Hours	Total Fees
Balogh, William	Consultant	\$210.00	0.90	\$189.00
Bellazain-Harris, Sheba	Director	\$415.00	6.00	\$2,490.00
Berk, Rachel	Manager	\$335.00	3.80	\$1,273.00
Briggi, Lawrence	Manager	\$425.00	6.20	\$2,635.00
Chandrakumar, Rathakrishnan	Consultant	\$185.00	59.50	\$11,007.50
Chen, Laura	Senior Consultant	\$295.00	8.60	\$2,537.00
Collura, Lisa	Director	\$400.00	197.70	\$79,080.00
Dang, Hong-Duc	Consultant	\$175.00	1.30	\$227.50
Dobson, Stephen	Senior Consultant	\$275.00	3.00	\$825.00
Donnelly, Nicole	Director	\$425.00	0.70	\$297.50
Fadem, Zachary	Senior Consultant	\$295.00	9.80	\$2,891.00
Ho, Jessica	Consultant	\$210.00	40.50	\$8,505.00
Hochberg, Neal	Senior Managing Director	\$595.00	33.70	\$20,051.50
Imhoff, Dewey	Senior Managing Director	\$655.00	14.50	\$9,497.50
Kapadia, Bhavika	Consultant	\$210.00	150.10	\$31,521.00
Kapadia, Bhavika	Senior Consultant	\$245.00	65.90	\$16,145.50
Litgen, Kristen	Senior Consultant	\$250.00	0.50	\$125.00
Lu, Yin	Senior Consultant	\$295.00	34.00	\$10,030.00
Lung, Jinny	Consultant	\$280.00	3.50	\$980.00
Mintz, Steve	Consultant	\$320.00	5.80	\$1,856.00
Nolan, William J.	Senior Managing Director	\$610.00	2.70	\$1,647.00
O'Malley, Stephen	Director	\$400.00	4.50	\$1,800.00
Park, Ji Yon	Consultant	\$245.00	5.00	\$1,225.00
Phan, Minh-Thu	Director	\$275.00	0.50	\$137.50

FTI CONSULTING, INC.
SUMMARY OF FEES BY INDIVIDUAL FOR THE PERIOD
FROM OCTOBER 1, 2006 THROUGH DECEMBER 26, 2006

PROFESSIONAL SERVICES

Professional	Position*	Billing Rate*	Total Hours	Total Fees
Reiss, M. Freddie	Senior Managing Director	\$655.00	3.40	\$2,227.00
Remnitz, David	Senior Managing Director	\$575.00	47.80	\$27,485.00
Renzi, Mark A	Managing Director	\$545.00	19.00	\$10,355.00
Rodriguez, Yolanda	Associate	\$160.00	9.50	\$1,520.00
Roffman, Daniel	Senior Consultant	\$295.00	1.90	\$560.50
Singh, Vijai	Director	\$450.00	2.60	\$1,170.00
Sloane, Raymond	Senior Managing Director	\$550.00	0.60	\$330.00
Smith, Calvin	Consultant	\$320.00	9.50	\$3,040.00
TOTAL:			753.00	\$253,661.00

* Please note that Professionals' positions and billing rates may have changed as a result of standard annual promotions and rate adjustments.

FTI CONSULTING, INC.
SUMMARY OF FEES BY INDIVIDUAL FOR THE PERIOD
FROM OCTOBER 18, 2005 THROUGH DECEMBER 26, 2006

PROFESSIONAL SERVICES

Professional	Position*	Billing Rate*	Total Hours	Total Fees
Adams, William	Managing Director	\$400.00	9.10	\$3,640.00
Alao, Arelowo	Consultant	\$250.00	4.80	\$1,200.00
Amaro, Fidel	Senior Consultant	\$280.00	4.20	\$1,176.00
Amaro, Fidel	Senior Consultant	\$330.00	3.00	\$990.00
Appell, Wesley	Associate	\$245.00	29.90	\$7,325.50
Aro, Robert	Associate	\$275.00	2.00	\$550.00
Baghdady, Imad	Senior Consultant	\$250.00	0.80	\$200.00
Balasubramanian, Sivapathasekar	Consultant	\$175.00	9.40	\$1,645.00
Balasubramanian, Sivapathasekar	Consultant	\$225.00	2.30	\$517.50
Balogh, William	Consultant	\$205.00	20.40	\$4,182.00
Balogh, William	Consultant	\$210.00	402.50	\$84,525.00
Bartling, Joseph	Director	\$400.00	60.50	\$24,200.00
Bartling, Joseph	Director	\$450.00	213.60	\$96,120.00
Bellazain-Harris, Sheba	Director	\$415.00	6.30	\$2,614.50
Berk, Rachel	Manager	\$335.00	363.90	\$121,906.50
Block, Jessica	Senior Consultant	\$250.00	1.80	\$450.00
Bouchma, Miriam	Senior Consultant	\$295.00	3.80	\$1,121.00
Braun, Richard	Managing Director	\$475.00	6.50	\$3,087.50
Brennan, James	Consultant	\$240.00	22.40	\$5,376.00
Brennan, James	Senior Consultant	\$295.00	294.70	\$86,936.50
Briggi, Lawrence	Manager	\$425.00	22.50	\$9,562.50
Chan, Stanley	Consultant	\$235.00	873.00	\$205,155.00
Chandrakumar, Rathakrishnan	Consultant	\$185.00	100.50	\$18,592.50
Chaney, Tessa	Associate	\$95.00	10.50	\$997.50
Chedda, Deepak	Consultant	\$280.00	134.30	\$37,604.00
Chen, Laura	Senior Consultant	\$295.00	98.50	\$29,057.50

FTI CONSULTING, INC.
SUMMARY OF FEES BY INDIVIDUAL FOR THE PERIOD
FROM OCTOBER 18, 2005 THROUGH DECEMBER 26, 2006

PROFESSIONAL SERVICES

Professional	Position*	Billing Rate*	Total Hours	Total Fees
Choate, Timothy	Senior Consultant	\$295.00	4.00	\$1,180.00
Chung, Richard	Consultant	\$240.00	48.00	\$11,520.00
Chung, Richard	Senior Consultant	\$295.00	11.90	\$3,510.50
Cohen, Adam	Senior Managing Director	\$575.00	8.20	\$4,715.00
Collura, Lisa	Director	\$400.00	1,108.40	\$443,360.00
Coney, Charletta	Consultant	\$250.00	5.00	\$1,250.00
Crisalli, Paul	Director	\$520.00	210.90	\$109,668.00
Cruz, David	Associate	\$65.00	6.50	\$422.50
Dang, Hong-Duc	Consultant	\$175.00	1.30	\$227.50
Davydov, David	Consultant	\$225.00	30.60	\$6,885.00
Dawson, Dave	Consultant	\$225.00	144.10	\$32,422.50
DeBerry, Meghan	Associate	\$155.00	33.50	\$5,192.50
DeBerry, Meghan	Associate	\$160.00	774.70	123952.00
DeCicco, Robert	Manager	\$385.00	66.60	25641.00
DePalma, Alessandro	Consultant	\$280.00	28.20	\$7,896.00
Djordjevic, Nikola	Consultant	\$210.00	2.60	\$546.00
Do, Cuong	Managing Director	\$400.00	1.60	\$640.00
Dobson, Stephen	Senior Consultant	\$275.00	3.00	\$825.00
Dolinsky, Daniel	Associate	\$75.00	1.60	\$120.00
Donnelly, Nicole	Manager	\$425.00	577.00	\$245,225.00
Donoghue, Patrick	Senior Managing Director	\$610.00	21.00	\$12,810.00
Dragelin, Timothy J.	Managing Director	\$590.00	4.10	\$2,419.00
Edwards Ostrander, Raquel	Director	\$520.00	34.20	\$17,784.00
Eisenberg, Malcolm	Manager	\$330.00	47.30	\$15,609.00
Eisenberg, Malcolm	Manager	\$335.00	53.70	\$17,989.50

FTI CONSULTING, INC.
SUMMARY OF FEES BY INDIVIDUAL FOR THE PERIOD
FROM OCTOBER 18, 2005 THROUGH DECEMBER 26, 2006

PROFESSIONAL SERVICES

Professional	Position*	Billing Rate*	Total Hours	Total Fees
Embuscado, Ressa	Consultant	\$225.00	216.80	\$48,780.00
Fadem, Zachary	Consultant	\$240.00	50.90	\$12,216.00
Fadem, Zachary	Senior Consultant	\$295.00	1,071.00	\$315,945.00
Findley, William	Associate	\$150.00	13.00	\$1,950.00
Fisher, Brett	Senior Consultant	\$330.00	20.60	\$6,798.00
Gable, Morgan	Associate	\$245.00	33.40	\$8,183.00
Galinska, Anna	Consultant	\$205.00	11.20	\$2,296.00
Galinska, Anna	Consultant	\$235.00	15.10	\$3,548.50
Gaudet, Michael	Manager	\$315.00	5.00	\$1,575.00
Gill, David	Consultant	\$200.00	2.00	\$400.00
Goble, Morgan	Consultant	\$245.00	1.70	\$416.50
Gogger, Theresa	Consultant	\$210.00	151.90	\$31,899.00
Goode, Jr., John T.	Consultant	\$250.00	8.00	\$2,000.00
Gosalia, Veeral	Manager	\$390.00	13.40	\$5,226.00
Gosalia, Veeral	Director	\$400.00	4.80	\$1,920.00
Gosik, Jamie	Senior Consultant	\$295.00	163.40	\$48,203.00
Greenblatt, Matthew	Director	\$450.00	35.70	\$16,065.00
Greenblatt, Matthew	Director	\$475.00	22.70	\$10,782.50
Griffiths, Edward	Consultant	\$210.00	35.80	\$7,518.00
Gulley, Lorraine	Consultant	\$225.00	2.50	\$562.50
Gulley, Lorraine	Senior Consultant	\$225.00	43.50	\$9,787.50
Harper, David	Senior Consultant	\$330.00	49.50	\$16,335.00
Ho, Jessica	Consultant	\$210.00	125.80	\$26,418.00
Hochberg, Neal	Senior Managing Director	\$595.00	326.20	\$194,089.00
Hofstad, Ivo J	Associate	\$265.00	17.00	\$4,505.00
Hsu, Allan	Associate	\$280.00	2.00	\$560.00

FTI CONSULTING, INC.
SUMMARY OF FEES BY INDIVIDUAL FOR THE PERIOD
FROM OCTOBER 18, 2005 THROUGH DECEMBER 26, 2006

PROFESSIONAL SERVICES

Professional	Position*	Billing Rate*	Total Hours	Total Fees
Hurwitz, Jonathan	Consultant	\$235.00	5.00	\$1,175.00
Imhoff, Dewey	Senior Managing Director	\$655.00	54.90	\$35,959.50
Israel, Jeff	Associate	\$75.00	10.00	\$750.00
Johnson, Ryan	Director	\$325.00	5.50	\$1,787.50
Kanani, Ami	Senior Consultant	\$295.00	763.80	\$225,321.00
Kapadia, Bhavika	Consultant	\$210.00	955.80	\$200,718.00
Kapadia, Bhavika	Senior Consultant	\$245.00	65.90	\$16,145.50
Kellison, Chandra	Consultant	\$225.00	9.20	\$2,070.00
Kellison, Chandra	Senior Consultant	\$250.00	90.80	\$22,700.00
Kim, Brian	Director	\$275.00	2.30	\$632.50
Kim, Daniel	Manager	\$425.00	24.00	\$10,200.00
Kindy, Mark	Senior Managing Director	\$425.00	23.00	\$9,775.00
Kocica, Anthony	Senior Consultant	\$310.00	187.30	\$58,063.00
Korn, Gary	Manager	\$385.00	10.00	\$3,850.00
Langford, Charmaine Angela	Consultant	\$250.00	7.50	\$1,875.00
Lau, King	Senior Consultant	\$295.00	876.60	\$258,597.00
Lee, Ken-Wing	Associate	\$75.00	11.10	\$832.50
Litgen, Kristen	Senior Consultant	\$250.00	0.50	\$125.00
Liu, Yang	Consultant	\$180.00	25.90	\$4,662.00
Lu, Yin	Senior Consultant	\$260.00	32.50	\$8,450.00
Lu, Yin	Senior Consultant	\$295.00	290.30	\$85,638.50
Lung, Jinny	Consultant	\$280.00	3.50	\$980.00
MacKessy, John	Director	\$400.00	197.90	\$79,160.00
Maddrix, Corey	Senior Consultant	\$330.00	8.00	\$2,640.00
Maloney, Thomas	Consultant	\$300.00	6.00	\$1,800.00

FTI CONSULTING, INC.
SUMMARY OF FEES BY INDIVIDUAL FOR THE PERIOD
FROM OCTOBER 18, 2005 THROUGH DECEMBER 26, 2006

PROFESSIONAL SERVICES

Professional	Position*	Billing Rate*	Total Hours	Total Fees
Mann, Alan	Senior Consultant	\$330.00	226.70	\$74,811.00
Markowitz, Lucas	Consultant	\$210.00	2.20	\$462.00
Marlin, Todd	Managing Director	\$450.00	3.50	\$1,575.00
Matos, Norman H.	Consultant	\$250.00	10.00	\$2,500.00
McTear, Brian	Associate	\$135.00	1.80	\$243.00
McVey, Sean	Senior Consultant	\$295.00	13.90	\$4,100.50
Mintz, Steve	Consultant	\$320.00	5.80	\$1,856.00
Moa-Anderson, Bryte	Consultant	\$245.00	16.20	\$3,969.00
Mohan, Ajay	Consultant	\$210.00	3.60	\$756.00
Ng, Joseph	Consultant	\$280.00	39.20	\$10,976.00
Ng, William	Associate	\$245.00	24.30	\$5,953.50
Nguyen, Liem	Consultant	\$225.00	8.40	\$1,890.00
Nolan, William J.	Senior Managing Director	\$610.00	214.70	\$130,967.00
O'Malley, Stephen	Manager	\$390.00	135.70	\$52,923.00
O'Malley, Stephen	Director	\$400.00	345.10	\$138,040.00
Ormond, Andrea	Associate	\$75.00	0.50	\$37.50
Parikh, Sonal	Senior Consultant	\$295.00	115.00	\$33,925.00
Park, Ji Yon	Consultant	\$245.00	5.00	\$1,225.00
Parsons, Darren	Senior Consultant	\$225.00	29.00	\$6,525.00
Parsons, Darren	Senior Consultant	\$275.00	11.50	\$3,162.50
Phan, Minh-Thu	Senior Consultant	\$225.00	4.80	\$1,080.00
Phan, Minh-Thu	Director	\$275.00	4.40	\$1,210.00
Raabe, Kenya	Senior Consultant	\$310.00	688.30	\$213,373.00
Ramasamy, Madhangi	Senior Consultant	\$275.00	53.00	\$14,575.00

FTI CONSULTING, INC.
SUMMARY OF FEES BY INDIVIDUAL FOR THE PERIOD
FROM OCTOBER 18, 2005 THROUGH DECEMBER 26, 2006

PROFESSIONAL SERVICES

Professional	Position*	Billing Rate*	Total Hours	Total Fees
Rega, Antonio	Consultant	\$225.00	16.90	\$3,802.50
Rega, Antonio	Senior Consultant	\$295.00	116.10	\$34,249.50
Reiss, M. Freddie	Senior Managing Director	\$655.00	130.30	\$85,346.50
Remnitz, David	Senior Managing Director	\$525.00	127.70	\$67,042.50
Remnitz, David	Senior Managing Director	\$575.00	335.70	\$193,027.50
Renzi, Mark A	Managing Director	\$545.00	19.00	\$10,355.00
Robinson, Abitzel	Senior Consultant	\$295.00	42.60	\$12,567.00
Rodriguez, Yolanda	Associate	\$160.00	94.60	\$15,136.00
Roffman, Daniel	Senior Consultant	\$295.00	494.40	\$145,848.00
Ross, Donna	Senior Consultant	\$295.00	20.70	\$6,106.50
Rozumberkova, Martina	Manager	\$425.00	54.10	\$22,992.50
Ryan, Laureen	Senior Managing	\$595.00	0.70	\$416.50
Ryan, Marian	Associate	\$95.00	1.00	\$95.00
Scarola, Joanne	Senior Consultant	\$310.00	28.80	\$8,928.00
Sepehri, Babak	Consultant	\$250.00	3.50	\$875.00
Shakeel, Usman	Consultant	\$210.00	15.70	\$3,297.00
Shapss-Herringer, Wendy	Managing Director	\$475.00	0.30	\$142.50
Sheth, Nainsi	Consultant	\$180.00	0.70	\$126.00
Sheth, Nainsi	Consultant	\$210.00	34.20	\$7,182.00
Singh, Vijai	Director	\$400.00	70.70	\$28,280.00
Singh, Vijai	Director	\$450.00	907.80	\$408,510.00
Slattery, Michael	Senior Managing Director	\$525.00	13.90	\$7,297.50
Sloane, Raymond	Senior Managing Director	\$525.00	27.40	\$14,385.00
Sloane, Raymond	Senior Managing Director	\$550.00	117.60	\$64,680.00
Smallman, Philip	Associate	\$160.00	361.10	\$57,776.00

FTI CONSULTING, INC.
SUMMARY OF FEES BY INDIVIDUAL FOR THE PERIOD
FROM OCTOBER 18, 2005 THROUGH DECEMBER 26, 2006

PROFESSIONAL SERVICES

Professional	Position*	Billing Rate*	Total Hours	Total Fees
Smith, Calvin	Consultant	\$320.00	9.50	\$3,040.00
Smith, Douglas	Consultant	\$225.00	4.50	\$1,012.50
Spieler, Marc	Manager	\$385.00	68.20	\$26,257.00
Suggs, Catherine	Associate	\$175.00	1.00	\$175.00
Sweetland, Karen	Manager	\$360.00	1.80	\$648.00
Tam, Keven	Consultant	\$280.00	3.00	\$840.00
Tanskiy, Alex	Consultant	\$225.00	63.90	\$14,377.50
Teakram, Harry	Manager	\$425.00	273.20	\$116,110.00
Tice, Emily	Senior Consultant	\$275.00	1.00	\$275.00
Tice, Emily	Manager	\$275.00	8.00	\$2,200.00
Tomasevic, Nenad	Associate	\$280.00	5.50	\$1,540.00
Tran, Cassandra	Associate	\$175.00	7.60	\$1,330.00
Trent, Jared	Senior Consultant	\$330.00	87.70	\$28,941.00
Tsang, Chin Man	Consultant	\$205.00	22.00	\$4,510.00
Ventricelli, Daniel	Managing Director	\$450.00	8.00	\$3,600.00
Ventricelli, Daniel	Managing Director	\$475.00	3.50	\$1,662.50
Vincent, John	Consultant	\$210.00	5.50	\$1,155.00
Wei, Michael	Manager	\$375.00	3.50	\$1,312.50
Weiss, Jeremy	Consultant	\$250.00	5.00	\$1,250.00
Widulski, Brad	Senior Consultant	\$330.00	50.30	\$16,599.00
Withrow, Mary	Consultant	\$150.00	1.00	\$150.00
Witinok, Daniel	Consultant	\$180.00	19.60	\$3,528.00
Wolk, Steven	Consultant	\$220.00	7.00	\$1,540.00
Yip, Wai	Senior Consultant	\$310.00	5.10	\$1,581.00

FTI CONSULTING, INC.
SUMMARY OF FEES BY INDIVIDUAL FOR THE PERIOD
FROM OCTOBER 18, 2005 THROUGH DECEMBER 26, 2006

PROFESSIONAL SERVICES

Professional	Position*	Billing Rate*	Total Hours	Total Fees
Yun, Jairo	Consultant	\$225.00	134.70	\$30,307.50
		TOTAL	17,837.60	\$5,820,968.00

* Please note that Professionals' positions and billing rates may have changed as a result of standard annual promotions and rate adjustments.

FTI CONSULTING, INC.
Three Times Square
New York, New York 10036
(212) 247-1010
Neal Hochberg

Forensic Accountants and Electronic Evidence Consultants for
Refco Inc., et al., Reorganized Debtors and Creditors' Committee

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

	x	
	:	Chapter 11
In re:	:	Case No: 05-60006 (RDD)
	:	
REFCO., Inc., et al.	:	
	:	
Debtors.	:	
	x	

**FOURTH INTERIM FEE APPLICATION OF FTI CONSULTING, INC. AS
FORENSIC ACCOUNTANTS AND ELECTRONIC EVIDENCE
CONSULTANTS TO THE DEBTORS AND OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FROM OCTOBER 1, 2006 THROUGH DECEMBER 26, 2006⁴
AND
FINAL FEE APPLICATION OF FTI CONSULTING, INC. AS
FORENSIC ACCOUNTANTS AND ELECTRONIC EVIDENCE
CONSULTANTS TO THE DEBTORS AND OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FROM OCTOBER 18, 2005 THROUGH DECEMBER 26, 2006⁴**

TO: THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE:

FTI Consulting, Inc. ("FTI"), Forensic Accountants and Electronic Evidence Consultants to Refco Inc. ("Refco") and its debtor affiliates (collectively, the "Debtors"), and to the Official Committee of Unsecured Creditors of Refco Inc., et al. (the "Committee"), hereby files (i) its fourth interim application and payment of compensation for services rendered in the amount of \$253,661.00 and reimbursement of actual and necessary expenses incurred in the amount of

⁴ In addition to the amounts through December 26, 2006, also included in this fee application are fees incurred subsequent to December 26, 2006 in the amount of \$28,485.50 for professional time to prepare the fourth and final fee application.

\$1,209,137.55, respectively for the period from October 1, 2006 through December 26, 2006 (the “Fourth Compensation Period”) and (ii) its final application for allowance and payment of compensation for services rendered in the amount of \$5,820,968.00 and reimbursement of actual and necessary expenses incurred in the amount of \$7,450,420.99, respectively (the “Final Application”) for the period from October 18, 2005 through December 26, 2006 (the “Entire Case Period”).

I. CASE BACKGROUND

1. On October 17, 2005 (the “Petition Date”), the Debtors filed voluntary petitions for reorganization relief under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors' cases were jointly administered for procedural purposes only. On October 28, 2005, an official committee of unsecured creditors was appointed to serve in these cases under Bankruptcy Code section 1103. On March 14, 2006, this Court directed the appointment of a Chapter 11 Trustee for Refco Capital Markets, Ltd. (the “RCM Trustee”) and directed the appointment of an examiner for these cases on March 16, 2006 (the “Examiner”). On September 14, 2006, the Debtors filed a proposed Chapter 11 Plan (the “Plan”) that contemplates the disposition of the Debtors’ assets and the resolution of outstanding claims against and interest in the Debtors. On December 15, 2006, the Plan was approved by this Court and went effective December 26, 2006 (the “Effective Date”).

II. FTI'S EMPLOYMENT

2. On January 31, 2006, this Court entered an order (“Final Order”) approving the retention of FTI as Forensic Accountants and Electronic Evidence Consultants to Counsel for the Debtors Nunc Pro Tunc to the Petition Date. A copy of the Final Order approving and authorizing employment of FTI in addition to the Final Order Establishing Procedures for Interim Compensation is attached hereto as Exhibit A.

3. On April 26, 2006, this Court entered an order (“Amended Order”) approving the retention of FTI as Forensic Accountants and Electronic Evidence Consultants to Counsel for the Debtors and to the Official Committee of Unsecured Creditors of Refco Inc., et al. pursuant to sections 327 (a) and 1103 of the Bankruptcy Code. A copy of the Amended Order approving and authorizing joint retention of FTI is attached hereto as Exhibit B.

III. JURISDICTION

4. This Court has jurisdiction to consider this Application under 28 U.S.C. §§ 157 and 1334. Consideration of this Application is a core proceeding under 28 U.S.C. § 157(b)(2). The statutory predicates for the relief requested are Bankruptcy Code sections 330 and 331, Rule 2016 of the Federal Rules of Bankruptcy Procedure, and Local Rule 2014-1. This Application has been prepared in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, adopted by this Court on April 19, 1995 (the “Local Guidelines”) and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (Appendix A to 28 C.F.R. § 58) (the “UST Guidelines”) and the Interim Payment Order (defined below) (collectively, the Local Guidelines, the UST Guidelines and the Interim Payment Order are referred to as the “Guidelines”). A certification regarding compliance with the Guidelines is attached as Exhibit C.

IV. FTI’S PRIOR APPLICATIONS

5. FTI has in general agreed to be compensated based on its customary hourly rates and the hours expended. Set forth below is a summary of FTI’s prior applications and awards thereon for services rendered during the periods October 18, 2005 through January 31, 2006, February 1, 2006 through May 31, 2006, and June 1, 2006 through September 30, 2006:

	Fees	Expenses	Total
First Interim Application – October 18, 2005 – January 31, 2006	\$707,378.00	\$634,526.20	\$1,341,904.20
Second Interim Application – February 1, 2006 – May 31, 2006	\$3,244,268.00	\$2,645,111.38	\$5,889,379.38
Third Interim Application – June 1, 2006 – September 30, 2006	\$1,615,661.00	\$2,961,645.86	\$4,577,306.86

V. REQUEST FOR COMPENSATION – FOURTH INTERIM APPLICATION

6. This Application is made by FTI pursuant to Sections 330 and 331 of the Bankruptcy Code for: (a) the fourth interim application for allowance and award of compensation for professional services rendered by FTI as Forensic Accountants and Electronic Evidence Consultants to the Debtors and the Committee during the period October 1, 2006 through December 26, 2006, and (b) reimbursement of actual and necessary expenses incurred by FTI in connection with the rendition of such services.

7. The services rendered by FTI during the period October 1, 2006 through December 26, 2006 required an aggregate expenditure of 753 hours of professional time in the performance of services rendered on behalf of the Debtors and the Committee. The fair and reasonable value of services rendered and properly recorded by FTI for this time is \$253,661.00, and results in an average blended hourly rate of \$337. A detailed allocation of the professional fees performed by FTI on behalf of each respective entity is attached hereto as Exhibit D.

8. FTI maintains computerized records of time expended in performing professional services. Such time records were made contemporaneously with the rendition of such services. For the convenience of the court and the parties-in-interest, attached hereto as Exhibit F is a complete list of the professionals who have worked on this case during the Fourth Compensation Period, their normal hourly rates, the aggregate of time expended by each and the total amounts requested for each individual as part of the total compensation requested. Attached hereto as Exhibit G is a summary of the work performed by each individual, outlined by specific task

descriptions. The time records showing the name of the professional, the date on which the services were performed, a description of the services rendered, and the amount of time spent in performing the services are attached hereto as Exhibit H.

9. FTI maintains records of all actual and necessary expenses incurred in connection with its professional services. A schedule of the categories of expenses and amounts for which reimbursement is requested is attached hereto as Exhibit I. Attached hereto as Exhibit J is a listing of expenses incurred by professional during the Fourth Compensation Period, all of which are detailed by category, date the expense was incurred, a description of the expense and amount.

A. SUMMARY OF PROFESSIONAL SERVICES

10. Following is a detailed description of the services provided by FTI as required by the Debtors and the Committee during the period October 1, 2006 through December 26, 2006. The services are broken down into specific categories.

I. Forensic Accounting Services

11. During the period October 1, 2006 through December 26, 2006, FTI provided various forensic accounting services to the Debtors and the Committee. Specifically, FTI incurred a total of 285.60 hours performing forensic accounting activities representing approximately 45% of the total professional fees requested during the Fourth Compensation Period (amounting to \$114,633.00 at a blended hourly rate of \$401).

i. Year End and Quarter End Transactions

12. During the Fourth Compensation Period, FTI continued its extensive review of account statements, wire transfers, transaction memos and other supporting documentation for fiscal year end transactions between 1998 and 2005 and quarter end transactions beginning in May 2004. Work papers and flow charts were prepared to document the transactions and

illustrate the flow of funds for each fiscal year end and quarter end analyzed. FTI participated in numerous meetings and telephone conferences to communicate findings on a regular basis. Finalized work product and flow charts with detailed supporting documentation were presented to the Department of Justice (the “DOJ”) and the Examiner, on behalf of the Debtors.

13. As previously noted, FTI was jointly retained by the Debtors and the Committee to conduct a larger scale fact finding investigation. During the period of October 1, 2006 through December 26, 2006, a substantial portion of FTI’s services included an expansion of analyses and investigations performed during previous interim periods, as a result of requests made by the DOJ and the Examiner. The results of these requested analyses were presented to the DOJ and the Examiner, as well as the Debtors.

14. To supplement the fund flow analysis, FTI reviewed account activity and prepared analyses of account balances of the Debtor entities, related parties and customer accounts. The monthly changes in customer account balances were documented in order to compare the customer activity to fund flows through various entities.

ii. Receivable from Related Party

15. During the Fourth Compensation Period, FTI continued to analyze the origination and growth of related party receivable balances due to the Debtors. FTI analyzed the fluctuations in the related accounts on the books of both the Debtors and the related party. FTI also reviewed and analyzed the customer ledger reports and account statements related to these receivable balances. FTI investigated the transactions that increased the related party receivables to determine the nature of the transactions and how they were recorded in the books and records of the Debtors and the related party. For each transaction, FTI obtained and reviewed the supporting documentation. FTI summarized the transactions identified in order to respond to the requests made by the Debtors, and the Committee, the DOJ and the Examiner.

16. Prior to the Fourth Compensation Period, FTI had prepared a series of analyses on certain accounts receivable balances believed to have originated from Asian customers in the late 1990s. FTI identified specific customers of the Debtors who were involved in the Asian markets and sustained substantial losses which resulted in the receivable balances eventually becoming uncollectible. FTI traced the receivable balances through various accounts to follow the movement and determine how the receivable balances increased over time. FTI analyzed the connection between the movement of these receivables and the growth of the related party receivable as well as the year end and quarter end transactions. These analyses were presented to the Debtors, the DOJ and the Examiner during the Fourth Compensation Period.

17. It was important for FTI to understand and document the evolution of the related party receivables and the uncollectible customer receivables. This was necessary in order to tie the activity into the year end and quarter end transactions and determine the financial statement impact on the books and records of the Debtors and subsidiaries from the late 1990s to the present.

iii. Additional Forensic Analyses

18. While working closely with other professionals involved to avoid duplication of efforts, FTI performed the analyses referenced above as well as a series of additional analyses at the request of the Debtor, the Committee, the DOJ, the Examiner and others.

19. In addition, at the request of the Committee, FTI began planning for and preparing a Solvency analysis. FTI analyzed latest financial analysis regarding uncollectible receivables and reviewed documents from prior solvency analyses for various periods. FTI updated various financial analyses used in a prior solvency analysis with new information.

20. At the request of the Debtor and the Committee, FTI spent time responding to numerous requests for documents, providing general financial analysis, performing specific fact finding, and addressing other ad hoc requests by various parties involved.

II. Electronic Evidence Consulting Services

21. During the period October 1, 2006 through December 26, 2006, FTI provided electronic evidence consulting services to the Debtors and the Committee. Specifically, FTI incurred a total of 200.90 hours performing these services representing approximately 23% of the total professional fees requested during the Fourth Compensation Period (amounting to \$57,547.50 at a blended hourly rate of \$286).

i. Financial Database Services

22. FTI had collected financial information from electronically-stored sources from the Debtors during the period of October 7, 2005 through October 18, 2005. Although many repositories of financial information at Refco were collected during that period, much of the information was not restored or investigated at that time. During the period covered by this application, FTI restored portions of this information and performed financial data-related tasks in response to requests from the Debtors and/or the Committee. This exercise was a significant undertaking since the Debtors' original financial data was kept in many systems. Due to regulatory requirements for some of the Debtor entities, many statements and reports were archived on read-only laser-disk media, and accessed using a document management application utilized by the Debtors. This server and its media are housed at the Debtors' offices.

23. The Debtors granted FTI remote access to the system, which enabled FTI to log into document management application, conduct searches, run reports, and retrieve documents. However, the search and retrieval capability of this system was extremely limited. The documents are stored in electronic formats that are not searchable. Downloading of data was also

extremely limited due to the remote access to the Debtors' system. Based on the limitations of this system, FTI spent significant time and resources in recovering crucial financial information.

ii. Document Production Services

24. As described further below, FTI rendered electronic evidence document production and processing services at the request of the Debtors. This effort required FTI professionals' time to manage the document production process, including conversion of files from native format into an industry standard electronic production format. In addition, FTI professionals were required to export selected documents from the electronic review environment, as well as manage the document tagging process.

III. General and Administrative Services

25. During the period covered by this application, FTI also performed services of a general and administrative nature with respect to this case. Such services include time spent by FTI in connection with preparation of its third interim fee application for the period June 1, 2006 through September 30, 2006, preparation of monthly fee statements for October 2006 through December 2006, attendance at the court hearing concerning the third interim fee application, and preparation of its fourth and final fee application. During the Fourth Compensation Period, the general and administrative services performed by FTI totaled 266.50 hours and represented approximately 32% of the total professional fees requested during the Fourth Compensation Period (amounting to \$81,480.50 at a blended hourly rate of \$306).

B. SUMMARY OF EXPENSES

26. FTI incurred expenses during the Fourth Compensation Period related to electronic evidence document production and processing as well as actual and necessary out-of-pocket expenses. The expenses incurred for document production amounted to \$1,201,610.69 representing over 99% of the total expenses incurred during the Fourth Compensation Period.

i. Document Production

27. During the period covered by its first interim fee application, FTI completed the forensic acquisition and extraction of custodian data from personal computers, network drives, email servers, etc. FTI collected in excess of one terabyte of electronically stored information (“ESI”) from the Debtors that were identified as potentially necessary in connection with the various proceedings and investigations involving the Debtors. The ESI consisted of a wide variety of different types of data in different electronic formats, including without limitation electronic mail, financial systems information, databases, spreadsheets and word processing files. The ESI was then translated, or “processed,” into an electronic format or formats that permitted it to be loaded into software systems specifically designed to expedite the document production process. FTI used Ringtail to facilitate the efficient production of large volumes of ESI. The ESI was converted from native format into TIFF or PDF format and produced to Counsel for the Debtors to be uploaded into a document review environment.

28. During the period covered by this application, FTI continued to process the Debtors’ electronic data using third party software. FTI restored the Debtors’ electronic data from backup tapes, a process which takes the raw electronic information collected from the Debtors and renders that data into a usable and readable format. FTI reduced the size and number of electronic data files, based on certain criteria, to minimize the amount of data subject to further review and analysis. This technique allowed FTI to maintain maximum efficiency and reduce future costs in subsequent analysis of the data.

29. From October 1, 2006 through December 26, 2006, FTI continued to utilize a database to manage all information relating to the inventory of electronic evidence items, track the progress of the files, and create reports. This database was also used as a point of reference for completeness to track the movement of these files into a document review environment. FTI

developed file lists as a part of the file transfer process, and loaded those lists into the database to provide a tracking mechanism to facilitate review of the Debtors' electronic data.

30. FTI tracked the movement of the electronic files through the document production process. Occasionally, this process identified files that needed to be handled with special care, such as files with filenames containing special characters or file names or file paths exceeding maximum allowable characters thresholds. In the event FTI encountered these types of special files, FTI took the necessary steps to resolve and document the issues.

31. As the document production process was near completion, FTI performed various final analyses and reviews of the final results to ensure that the electronic data was processed in its entirety.

ii. Out-of-Pocket Expenses

32. FTI incurred actual and necessary out-of-pocket expenses, totaling \$7,526.86, during the Fourth Compensation Period. These out-of-pocket expenses included lodging, meals, transportation and other administrative expenses in connection with the rendition of professional services.

C. ALLOWANCE OF COMPENSATION

33. The professional services rendered to the Debtors and the Committee by FTI during the Fourth Compensation Period required the aggregate expenditure of 753 hours of professional time. Exhibit F sets forth a complete list of such individuals, the aggregate amount of time expended by each, the current normal hourly billing rate for each, and a total for each based upon the normal hourly billing rate in effect at the time that services were actually rendered. The average blended hourly rate for such services by FTI was \$337. The fair and reasonable value of services rendered and properly recorded by FTI from October 1, 2006 through December 26, 2006 is \$253,661.00. As of the date of this Fourth Interim Fee

Application, FTI has received \$136,875.60 of the total professional fees incurred during the Fourth Compensation Period.

34. FTI incurred actual and necessary expenses, properly posted to this matter from October 1, 2006 through December 26, 2006, in connection with document production and rendering the professional services described above in the sum of \$1,209,137.55, for which FTI respectfully requests to be reimbursed in full. A summary of such expenses is attached hereto as Exhibit I and a detailed listing of such expenses is attached hereto as Exhibit J. As of the date of this Fourth Interim Fee Application, FTI has received \$1,207,206.82 of the total expenses incurred during the Fourth Compensation Period.

VI. REQUEST FOR COMPENSATION – FINAL APPLICATION

35. This Application is made by FTI pursuant to Section 330 of the Bankruptcy Code for: (a) the final application for allowance and award of compensation for professional services rendered by FTI as Forensic Accountants and Electronic Evidence Consultants to the Debtors and the Committee during the period October 18, 2005 through December 26, 2006, and (b) reimbursement of actual and necessary expenses incurred by FTI in connection with the rendition of such services.

36. The services rendered by FTI during the period October 18, 2005 through December 26, 2006 required an aggregate expenditure of 17,837.60 hours of professional time in the performance of services rendered on behalf of the Debtors and the Committee. The fair and reasonable value of services rendered and properly recorded by FTI for this time is \$5,820,968.00, and results in an average blended hourly rate of \$326. A detailed allocation of the professional fees incurred by FTI on behalf of each respective entity were included in the prior interim fee applications and together with the detailed allocation of the professional attached hereto as Exhibit D-1.

37. The daily time detail for the numerous matters on which professionals of FTI spent time during the Entire Case Period, were attached to each of the previously filed interim fee applications and are attached hereto as Exhibit D through Exhibit J with respect to the Fourth Compensation Period. Moreover, FTI described in each of its prior interim fee applications the services rendered during each application period and has described herein the services rendered during the Fourth Compensation Period. All of the detail and descriptions for the prior interim application periods are incorporated herein by reference and, together with the detail and descriptions contained herein for the Fourth Compensation Period, are offered in support of this Final Application.

38. Without seeking to duplicate or repeat information previously provided to this Court, FTI provides the following overview of the key services it rendered as Forensic Accountants and Electronic Evidence Consultants to the Debtors and the Committee during the Entire Case Period:

i. Forensic Accounting Services

- (a) FTI assisted with forensic accounting and financial analysis services to investigate circumstances surrounding various issues involving accounts receivable and other financial areas.
- (b) FTI reviewed and analyzed the Debtors' accounting books and records and books and records of third parties, when available, to assist in connection with the investigation.
- (c) FTI assisted with an analysis of activities related to: (i) certain executive compensation payments; (ii) account statement analysis and investigation of the flow of funds between Refco entities and other entities; and (iii) certain technology-related expense allocations across Refco entities and other entities.

- (d) In February 2006, FTI was retained to assist Debtors' Counsel in preparing a response to a complaint filed by Austrian Bank, BAWAG. In connection with this request, FTI spent a considerable amount of time performing forensic accounting and financial analysis services to investigate transactions between BAWAG and the Debtors. While conducting the investigation, FTI spent time at the Debtors' offices and had discussions with the Debtors' personnel to understand the business and the year-end transactions. FTI also obtained documentation from the Debtors' personnel, Counsel, and FTI's technology group.
- (e) FTI prepared a series of analyses to depict the timeline of BAWAG's ownership interest in the Debtors and other related entities. To supplement this analysis, FTI analyzed funding received by BAWAG as a result of various corporate transactions and reorganizations by the Debtors, including, specifically, the leveraged buy-out transaction in August 2004.
- (f) FTI investigated the validity of certain exotic bond and security positions held in various accounts at the Debtors. The securities included bonds and interests in business entities and were held in accounts of BAWAG and various other third party entities. FTI's findings were communicated to Counsel through meetings and telephone conferences.
- (g) Prior to the completion of the BAWAG litigation analysis, FTI was jointly retained by the Debtors and the Committee to conduct a larger scale fact finding investigation. A substantial portion of FTI's services included an expansion of an analysis and investigation of year-end and quarter-end transactions involving the Debtor entities, related parties, customers and various third parties. FTI performed an extensive review of account statements, wire transfers, transaction memos and other supporting documentation for fiscal year-end transactions between 1998 and 2005 and quarter-

end transactions beginning in May 2004. FTI prepared work papers and retained documentation to support the analysis. FTI also prepared flow charts for each year-end and quarter-end transaction to illustrate FTI's understanding of the flow of funds.

- (h) To supplement the fund flow analysis, FTI reviewed account activity and prepared an analysis of account balances of the Debtor entities and customer accounts.
- (i) FTI analyzed the origination and growth of related party receivable balances due to the Debtors. FTI investigated and summarized the transactions that caused an increase in the related party receivables to determine the nature of the transaction and how it was recorded in the books and records.
- (j) FTI prepared a series of analyses of certain accounts receivable balances believed to have originated from Asian customers in the late 1990s. FTI traced the receivable balances through various accounts to follow the movement and determine how the receivable balances grew over time. FTI analyzed the connection between the movement of these receivables and the growth of the related party receivable as well as the year-end and quarter-end transactions.
- (k) FTI participated in numerous meetings and telephone conferences to communicate findings on a regular basis. Finalized work product and flow charts with detailed supporting documentation were presented to the Debtors, the Committee, the DOJ and the Examiner.
- (l) FTI performed a limited analysis of certain corporate transactions including the leveraged buy-out in August 2004, the Debtors' Initial Public Offering and various bond offerings.

- (m) FTI performed a solvency analysis of a certain Debtor entity and prepared an independent declaration that was filed by the Debtors and the Committee. This declaration was ultimately used in settlement negotiations with BAWAG.
- (n) FTI performed a review of documents related to the accounting services performed on behalf of Refco. This included a review of accounting records, work papers, files, and other documentation including e-mails and other relevant correspondence.
- (o) FTI assisted the RCM trustee in responding to subpoenas served to certain RCM customers. This effort involved identifying, analyzing and organizing documents responsive to items listed in the subpoena.
- (p) At the request of the Committee, FTI performed asset searches and background investigations of certain individuals. This effort also involved identifying and analyzing relevant documentation from the Debtors' documents.
- (q) FTI worked closely with other professionals involved to avoid duplication of efforts.
- (r) FTI spent time responding to numerous requests for documents, providing general financial analysis, performing specific fact finding, and addressing other ad hoc requests by various parties involved, including the Debtors, the Committee, the DOJ, and the Examiner.
- (s) In addition to the services mentioned above, FTI also performed services of a general and administrative nature with respect to this case. FTI spent time in connection with preparation of its interim fee applications, along with preparation of monthly fee statements, and attendance at the court hearing concerning the first, second, and third interim fee application.

ii. Electronic Evidence Consulting Services

- (a) FTI had collected financial information from electronically-stored sources from the

Debtors during the period of October 7, 2005 through October 18, 2005. FTI later restored and investigated additional information and performed many financial data-related tasks in response to requests from the Debtors and/or the Committee.

- (b) FTI spent significant time and resources in recovering crucial data from these financial systems, since the search and retrieval capability was extremely limited.
- (c) In connection with FTI's analysis of the Debtors' accounting and financial information, FTI retrieved and restored financial records using an Oracle-based PeopleSoft application system. In order to analyze the data obtained from the Debtors' PeopleSoft system, FTI setup an in-house database environment and converted the data into a usable and readable format to be analyzed subsequently by FTI's forensic accounting professionals.
- (d) FTI created custom analysis applications to assist in retrieving account balance, journal, general ledger and cash entries in order to facilitate FTI's analysis and reporting requirements. This custom analysis provided a more efficient method of retrieving the information compared to using the standard and severely-limited PeopleSoft tools.
- (e) FTI retrieved and produced Refco Capital Markets account opening documents for certain accounts from the document management system at the request of Counsel. These documents were later analyzed by FTI's forensic accounting professionals in their investigation of year-end transactions and flow of funds.
- (f) FTI analyzed extracts of the PeopleSoft data and the data from the Debtors' cash management systems and other database systems using additional data analysis tools.
- (g) FTI restored the system in which the Debtors recorded telephone conversations that occurred on its trading floor. The Debtors recorded calls made from its trading floor using a voice recording system, which stores information about its digital recordings in a database. FTI restored the database from the Debtors' backup tapes, and used

this database to identify specific conversations that should be restored into a reviewable format for subsequent analysis.

iii. Document Production

- (a) FTI completed forensic acquisition and extraction of custodian data from personal computers, network drives, email servers, and other sources. FTI also acquired financial database systems, including daily activity statements and customer statements for accounts of interest.
- (b) FTI collected in excess of one terabyte of electronically stored information (“ESI”) from the Debtors that were identified as potentially necessary for attorney review in connection with the various proceedings and investigations involving the Debtors.
- (c) The ESI was translated, or “processed,” into an electronic format or formats that permitted it to be loaded into software systems specifically designed to expedite the document production process. The ESI was converted from native format into TIFF or PDF format and produced to Counsel for the Debtors to be uploaded into a document review environment.
- (d) FTI processed the Debtors’ electronic data using third party software. FTI restored the Debtors’ electronic data from backup tapes, a process which takes the raw electronic information collected from the Debtors and renders that data into a usable and readable format.
- (e) FTI reduced the size and number of electronic data files, based on certain criteria, to minimize the amount of data subject to further review and analysis, which allowed FTI to maintain maximum efficiency and reduce future costs in subsequent analysis of the data.
- (f) FTI also designed and built a database to manage all information relating to the inventory of electronic evidence items, track the progress of the files, and create reports as requested by Counsel. This database was used as a point of reference for

completeness to track the movement of these files into an online document repository.

- (g) FTI tracked the movement of the electronic files into the online document repository. Occasionally, this process identified files that needed to be handled with special care, such as files with filenames containing special characters or file names or file paths exceeding maximum allowable characters thresholds. In the event FTI encountered these types of special files, FTI took the necessary steps to resolve and document the issues.

39. FTI submits that the aggregate fees sought in the Final Application represent “reasonable compensation for actual, necessary services rendered” in accordance with section 330(a)(1)(A) of the Bankruptcy Code. In addition, FTI submits that the aggregate expenses for which reimbursement is sought in the Final Application represent “actual, necessary expenses” under section 330(a)(1)(B) of the Bankruptcy Code.

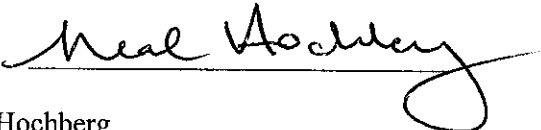
WHEREFORE, FTI respectfully requests that this Court enter separate orders:

- (a) granting FTI compensation during the Fourth Compensation Period from October 1, 2006 through December 26, 2006 for services rendered in the amount of \$253,661.00 and for expenses incurred in connection with the rendition of such services in the amount of \$1,209,137.55, less payments received to date;
- (b) granting FTI compensation for services during the Entire Case Period from October 18, 2005 through December 26, 2006 in the amount of \$5,820,968.00, and for expenses incurred in connection with the rendition of such services in the amount of \$7,450,420.99, less payments received to date;
- (c) granting FTI compensation for the remaining balance for the services rendered during the Entire Case Period in the amount of \$ 118,716.13, which includes 20% holdback in fees for services rendered during October 2006 and November 2006 in the amount of \$34,218.90, for total fees and expenses incurred during December 2006 in the amount of \$56,011.73 and for total fees incurred subsequent to the Effective Date in the amount of \$28,485.50; and,
- (d) granting FTI such other and further relief as may be just and proper.

Dated: New York, New York

February 26, 2007

FTI Consulting, Inc.
As Forensic Accountants and Electronic
Evidence Consultants to the Debtors and the
Committee

By: 

Neal Hochberg
Senior Managing Director
FTI Consulting, Inc.
Three Times Square, 11th Floor
New York, New York 10036
(212) 499-3697