

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF KENTUCKY
ASHLAND DIVISION

In re

SPECIAL METALS CORPORATION, et al.,

Debtors in Possession.

Case Nos. 02-10335 - 02-10338

Jointly Administered

Chapter 11 Reorganization

Judge William S. Howard

SUMMARY COVER SHEET ON THE FINAL FEE APPLICATION REQUEST OF
BAILES, CRAIG & YON AS CO-COUNSEL TO THE 1114 COMMITTEE FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM
DECEMBER 16, 2002 THROUGH NOVEMBER 30, 2003

To All Debtors, Creditors, and Parties-in-Interest:

1. The Committee of Retired Salaried Employees pursuant to 11 U.S.C. § 1114 ("1114 Committee") was appointed by order entered December 16, 2002 [Doc. 626].
2. An order was entered January 30, 2003, [Doc. 744] approving the 1114 Committee's application to employ Charles I. Jones, Jr. and his law firm, Campbell, Woods, Bagley, Emerson, McNeer & Herndon, P.L.L.C. and James R. Bailes and his law firm, Bailes, Craig & Yon, as counsel for the 1114 Committee *nunc pro tunc* to December 16, 2002.
3. This is the Final Fee Application Request of Bailes, Craig & Yon For Compensation and Reimbursement of Expenses for the Period from December 16, 2002 through November 30, 2003.
4. Applicant has received no retainer for representation of the 1114 Committee.
5. For the Period from December 16, 2002 through November 30, 2003 ("Final Application Period"), Bailes, Craig & Yon provided a total of 434.30 hours of legal services on behalf of the 1114 Committee. The value of these services performed by Bailes, Craig & Yon during the Final Application Period is \$73,787.50. The blended hourly rate during the Final Application Period is \$169.90. Bailes, Craig & Yon disbursed the amount of \$2,893.34 in expenses during the Final Application Period.
6. On December 26, 2003 Applicant submitted its Third Interim Fee Application for the period October 21, 2003 through November 30, 2003 for services provided in the amount of \$18,987.50 and expenses in the amount of \$981.99.
7. A hearing on the Final Fee Application will be held before the Honorable William S. Howard in the United States Bankruptcy Court, Lexington, Kentucky on February 5, 2004, at 2:00 p.m. Parties

in interest may attend and object.

BAILES, CRAIG & YON

Dated: 1-13-04

by

\s\ James R. Bailes

James R. Bailes, Esq.

(Admitted to practice *pro hac vice* by Order
dated August 14, 2003)

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Co-counsel for 1114 Committee

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Bailes, Craig & Yon, co-counsel to the 1114 Committee, pursuant to 11 U.S.C. §§330(a) and 331, Bankruptcy Rule 2016, and the Administrative Order entered May 2, 2002 [Doc. 122] file the within Final Fee Application Request of Bailes, Craig & Yon for Compensation and Reimbursement of Expenses for the Period From December 16, 2002 through November 30, 2003, and states as follows:

BACKGROUND

1. Special Metals Corporation, Inco Alloys International, Inc. (now Huntington Alloys Corporation), Special Metals Domestic Sales Corp. and A-1 Wire Tech, Inc., the Debtors and Debtors-in-Possession herein, filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code on March 27, 2002. The Debtors continue to conduct their business and affairs as debtors-in-possession.

2. On January 30, 2003, this Court approved the retention and employment of Bailes, Craig & Yon as co-counsel to the 1114 Committee *nunc pro tunc* to December 16, 2002.

3. On March 29, 2002, this Court entered an Order directing the joint

administration of the Debtors' Chapter 11 cases.

4. On September 29, 2003, this Court entered an Order Confirming Debtors' Second Amended Joint Plan of Reorganization Dated August 7, 2003 (the "Plan").

5. On December 9, 2003, the Reorganized Debtors filed their Notice of Effective Date of Debtors' Second Amended Joint Plan of Reorganization (the "Confirmation Notice"). Pursuant to the Confirmation Notice, the effective date of the Plan was November 26, 2003 (the "Effective Date").

6. Pursuant to Section 2.4 of the Plan, all persons seeking an award by the Bankruptcy Court of a Fee Claim incurred through and including the Effective Date shall, unless otherwise ordered by the Bankruptcy Court: (i) file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is no later than forty-five (45) days after the Effective Date; and (ii) be paid in full in such amounts as are approved by the Bankruptcy Court upon the later of (a) the date upon which the order relating to any such Fee Claim is entered or (b) upon such other terms as may be mutually agreed upon between the holder of such Fee Claim and the Debtors or, on and after the Effective Date, the Reorganized Debtors.

7. On December 26, 2003 Applicant submitted its Third Interim Fee Application for the period October 21, 2003 through November 30, 2003 for services provided in the amount of \$18,987.50 and expenses in the amount of \$981.99.

8. By this Final Fee Application Request (the "Final Application"), and pursuant to and in compliance with Section 2.4 of the Plan, Bailes, Craig & Yon seeks final approval of compensation in the amount of \$73,787.50 in fees and reimbursement of expenses in the amount of

\$2,893.34 for services rendered during the Final Application Period.

9. Copies of the following documents are on file with the Court and can be provided or reviewed upon request: (i) all Invoices of services and disbursements expended by Bailes, Craig & Yon during the Final Application Period; (ii) a narrative statement of the services rendered and a summary of the time and charges of each professional who rendered services during the Final Application Period; and (iii) a listing of the names, title, and hourly rates for each professional and paraprofessional who rendered services during the Final Application Period.

10. Under the Administrative Order dated May 2, 2002, the Court authorized the submission of monthly interim professional fee applications no earlier than the 25th day of each calendar month, and for payment of eighty percent (80%) of the uncontested fees and one hundred percent (100%) of the uncontested expenses requested in the monthly interim professional fee applications to be paid by the Debtors twenty (20) days after service of the monthly interim fee application, and upon filing of a certificate of no objection.

11. Bailes, Craig & Yon has accounted for its time by designating twenty-two (22) separate categories, standard for a case of this size and nature, to which time was billed as follows:

Exhibit 1	01	General (Administrative Matters)
Exhibit 2	02	Petition, Schedules and Financial Reports
Exhibit 3	03	Investigation of Prepetition Transactions
Exhibit 4	04	Debtor in Possession Financing
Exhibit 5	05	Monthly Reports
Exhibit 6	06	Cash Collateral
Exhibit 7	07	Creditors Inquiries

Exhibit 8	08	Docket Review
Exhibit 9	09	Employee Matters
Exhibit 10	10	Executory Contracts, Personalty Leases and Real Estate Leases
Exhibit 11	11	Reclamation
Exhibit 12	12	Client Conferences
Exhibit 13	13	Disclosure Statement and Plan of Reorganization
Exhibit 14	14	Insurance
Exhibit 15	15	Taxes
Exhibit 16	16	Utilities
Exhibit 17	17	Creditors' Committee
Exhibit 18	18	Claims Processing
Exhibit 19	19	Miscellaneous Motions and Adversary Proceedings
Exhibit 20	20	Sales
Exhibit 21	21	Motions for Relief from Stay
Exhibit 22	22	Retention of Professionals and Fee Applications

12. Bailes, Craig & Yon has not represented or held an interest adverse to the estate, and is a disinterested person within the meaning established by §327(a) of the Bankruptcy Code.

WHEREFORE, Bailes, Craig & Yon respectfully requests that this Honorable Court enter an Order substantially in the form attached hereto, granting (i) final approval of compensation in the amount of \$73,787.50 in fees and reimbursement of expenses in the amount of \$2,893.34 for services rendered during the Final Application Period; (ii) final approval of interim compensation and

reimbursement of expenses sought in the Third Interim Fee Application; and (iii) directing the Reorganized Debtors to immediately pay \$19,969.49 which represents the total fees and expenses requested in the Final Application Period less the interim applications for fees and expenses previously paid.

by BAILES, CRAIG & YON
\s\ James R. Bailes
James R. Bailes, Esq.
(Admitted to practice *pro hac vice* by Order dated August 14, 2003)
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