

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

IN RE) Chapter 11
)
SPECIAL METALS CORPORATION, et al.) Bankruptcy Nos. 02-10335 -
) 02-10338
)
) JOINTLY ADMINISTERED
)
) JUDGE WILLIAM S. HOWARD

**SUMMARY COVER SHEET ON THE FINAL FEE APPLICATION REQUEST OF
CAMPBELL, WOODS, BAGLEY, EMERSON, McNEER & HERNDON, P.L.L.C. AS
COUNSEL FOR THE § 1114 COMMITTEE FOR THE PERIOD FROM
DECEMBER 16, 2002, THROUGH NOVEMBER 30, 2003**

To All 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]. 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. (“Campbell, Woods, Bagley”) and James R. Bailes and his law firm, Bailes, Craig & Yon, (“Bailes Craig”) as counsel for the 1114 Committee *nunc pro tunc* to December 16, 2002. A copy of the order approving the retention of these two firms as counsel to the 1114 Committee is attached hereto as Exhibit A.
2. This is the Final Fee Application Request of Campbell, Woods, Bagley for the period from December 16, 2002, through November 30, 2003.
3. No retainer has been received by Campbell, Woods, Bagley.
4. For the period from December 16, 2002 through November 30, 2003 (“Final Application Period”), Campbell, Woods, Bagley provided a total of 295.2 hours of legal services on behalf of the 1114 Committee. The value of these services performed by Campbell, Woods, Bagley during the Final Application Period is \$36,223.30. The blended hourly rate during the Final Application Period is \$122.72. Campbell, Woods, Bagley disbursed the amount of \$4,631.76 in expenses during the Final Application Period.
5. Approval of the Third Interim Fee Application of Campbell, Woods, Bagley, Emerson, McNeer & Herndon, P.L.L.C. for Interim Allowance of Compensation and Reimbursement of Expenses as Counsel to the 1114 Committee for the Period

from September 1, 2003, through November 30, 2003, filed December 12, 2003 [Doc. 1855] is pending. The bar date for objections was January 2, 2004. A certificate of no objection was filed on January 13, 2004.

Respectfully submitted,

CAMPBELL, WOODS, BAGLEY, EMERSON,
McNEER & HERNDON, P.L.L.C

Dated: January 13, 2004

by /s/ Charles I. Jones, Jr.
Charles I. Jones, Jr., Esq.
WV Bar No. 1913
CAMPBELL, WOODS, BAGLEY, EMERSON,
McNEER & HERNDON, P.L.L.C.
300 Summers Street, Suite 810 (ZIP 35201)
P. O. Box 2393
Charleston, WV 25328-2393
304.346.2391 (fax 304.346.2433)
cjones@campbellwoods.com
Counsel for the 1114 Committee

**UNITED STATES BANKRUPTCY COURT
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IN RE) Chapter 11
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SPECIAL METALS CORPORATION, et al.) Bankruptcy Nos. 02-10335 -
) 02-10338
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) JUDGE WILLIAM S. HOWARD

**FINAL FEE APPLICATION REQUEST OF
CAMPBELL, WOODS, BAGLEY, EMERSON, McNEER & HERNDON, P.L.L.C.
AS COUNSEL TO THE 1114 COMMITTEE FOR FINAL APPROVAL OF INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES OF
CAMPBELL, WOODS, BAGLEY, EMERSON, McNEER & HERNDON, P.L.L.C.
FOR THE PERIOD FROM DECEMBER 16, 2002, THROUGH NOVEMBER 30, 2003**

TO: THE HONORABLE WILLIAM S. HOWARD

Campbell, Woods, Bagley, Emerson, McNeer & Herndon, P.L.L.C. ("Campbell, Woods, Bagley"), counsel to the 1114 Committee, pursuant to §§ 330(a) and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, and the Administrative Order entered May 2, 2002, submits the following as its Final Fee Application Request 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., 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.

2. 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]. 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. (“Campbell, Woods, Bagley”) and James R. Bailes and his law firm, Bailes, Craig & Yon, as counsel for the 1114 Committee *nunc pro tunc* to December 16, 2002. A copy of the order approving the retention and employment of McGuireWoods is attached hereto as Exhibit A.

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 Debtors¹ 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. By this Final Fee Application Request (the "Final Application"), and pursuant to and in compliance with Section 2.4 of the Plan, Campbell, Woods, Bagley seeks final approval of compensation in the amount of \$36,223.30 in fees and reimbursement of expenses in the amount of \$4,631.76 for services rendered during the Final Application Period.

8. 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 Campbell, Woods, Bagley 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.

9. Campbell, Woods, Bagley 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. (See the Affidavit attached as Exhibit B)

WHEREFORE, Campbell, Woods, Bagley 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 \$36,223.30 in fees and \$4,631.76 in expenses for services rendered during the Final Application Period.

Dated: January 9, 2004

Respectfully submitted,

CAMPBELL, WOODS, BAGLEY, EMERSON,
McNEER & HERNDON, P.L.L.C

¹ Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Plan.

Dated: January 13, 2004

by /s/ Charles I. Jones, Jr.
Charles I. Jones, Jr., Esq.
WV Bar No. 1913
CAMPBELL, WOODS, BAGLEY, EMERSON,
McNEER & HERNDON, P.L.L.C.
300 Summers Street, Suite 810 (ZIP 35201)
P. O. Box 2393
Charleston, WV 25328-2393
304.346.2391 (fax 304.346.2433)
cjones@campbellwoods.com
Counsel for the 1114 Committee

AFFIDAVIT

STATE OF WEST VIRGINIA)
)
) SS:
COUNTY OF KANAWHA)

Charles I. Jones, Jr., being first duly sworn on oath, deposes and says that he is a member of the law firm of Campbell, Woods, Bagley, Emerson, McNeer & Herndon, P.L.L.C., counsel for the 1114 Committee of Special Metals Corporation, Inco Alloys International, Inc., Special Metals Domestic Sales Corporation and A-1 Wire Tech, Inc.;

That Campbell, Woods, Bagley, Emerson, McNeer & Herndon, P.L.L.C. is a disinterested person and does not represent or hold an interest adverse to the interests of the Estates on the matters for which it was employed, in accordance with Section 327(a) of the Bankruptcy Code;

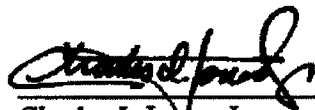
That no prohibited agreement or understanding exists between Campbell, Woods, Bagley, Emerson, McNeer & Herndon, P.L.L.C. or any of its employees and any other person or persons for a division of compensation in this proceeding;

That no division of fees prohibited by § 504 of the Bankruptcy Code has been or will be made;

That no agreement prohibited by 18 U.S.C. § 155 has been or will be made by Campbell, Woods, Bagley, Emerson, McNeer & Herndon, P.L.L.C. or any of its employees;

That no other prohibited division of compensation has been or will be made by Campbell, Woods, Bagley, Emerson, McNeer & Herndon, P.L.L.C. or any of its employees;

That, in addition, the foregoing Application is submitted in accordance with the provisions of Rule 2016 of the Federal Rules of Bankruptcy Procedure and the Rules of this Court.



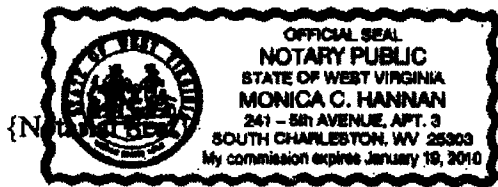
Charles I. Jones, Jr.

Taken, sworn to, and subscribed before me this 13th day of January, 2004.

My commission expires January 19, 2010.



Notary Public



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

EASTERN DISTRICT OF KENTUCKY

FILED

JAN 30 2003

AT LEXINGTON

JERRY D. TRUITT, CLERK
U.S. BANKRUPTCY COURT

IN RE

SPECIAL METALS CORPORATION, et al.

DEBTORS.

CHAPTER 11

CASE NOS. 02-10335-
02-10338

JOINTLY ADMINISTERED

JUDGE WILLIAM S. HOWARD

**ORDER GRANTING APPLICATION OF § 1114 COMMITTEE
TO EMPLOY COUNSEL NUNC PRO TUNC AS OF DECEMBER 16, 2002**

The Court has considered the application of the § 1114 Committee in the above-styled cases to employ counsel. The § 1114 Committee seeks to employ Charles I. Jones, Jr. and the law firm of Campbell, Woods, Bagley, Emerson, McNeer & Herndon, P.L.L.C. as counsel for the § 1114 Committee and to employ James R. Bailes and the law firm of Bailes, Craig and Yon for nonbankruptcy issues relating to retirement and employment law. Affidavits of Charles I. Jones, Jr. and James R. Bailes were submitted with the application.

Upon mature consideration, the Court is satisfied that (i) neither Campbell, Woods, Bagley, Emerson, McNeer & Herndon, P.L.L.C. nor Bailes, Craig and Yon (collectively, "Firms") holds or represents an interest adverse to Debtors, their creditors, their estates, or the Committee with respect to the matters for which the Firms will be engaged; (ii) the Firms are qualified and eligible to serve as counsel, all within the meaning of Sections 328 and 1103(a), made applicable by Section 1114, of the Bankruptcy Code; and (iii) the employment and

EXHIBIT A

retention of the Firms is necessary and in the best interests of the § 1114 Committee and Debtors' estates.

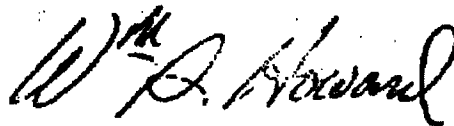
IT IS, ACCORDINGLY, ORDERED that

1. Pursuant to 11 U.S.C. §§ 328, 1103, and 1114, the § 1114 Committee is hereby authorize and empowered to employ and retain the Firms *nunc pro tunc* to entry of the order appointing the § 1114 Committee, December 16, 2002, [Doc. 626]; and

2. The compensation to be paid to the Firms for services to be rendered to the §1114 Committee plus reimbursements incurred in connection with such representation shall be determined by this Court upon appropriate application therefor in accordance with the Bankruptcy Code and applicable Federal Rules of Bankruptcy Procedure.

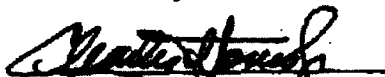
Pursuant to Local Rule 9022-1(c), Charles I. Jones, Jr. shall cause a copy of this Order to be served on each of the parties designated to receive this Order pursuant to Local Rule 9022-1(c) and shall file with the Court a certificate of service of the Order upon such parties within ten (10) days hereof: parties on the short service list approved by the Court.

Enter:



Judge

Submitted by:



Charles I. Jones, Jr., Esq.

KY Bar No. 83923

CAMPBELL, WOODS, BAGLEY, EMERSON, MCNEER & HERNDON, P.L.L.C.

300 Summers Street, Suite 810 (ZIP 25301)

Post Office Box 2393

Charleston, West Virginia 25328-2393

304/346-2391 (fax 304/346-2433)