

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

-----X  
In re : Chapter 11  
: :  
SPECIAL METALS CORPORATION., et al., : Case Nos. 02-10335-  
: 02-10338  
: (Jointly Administered)  
Debtors. :  
: JUDGE WILLIAM S. HOWARD  
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**SUMMARY COVER SHEET ON THE FINAL FEE APPLICATION OF  
SHEARMAN & STERLING LLP FOR ALLOWANCE OF COMPENSATION  
AND REIMBURSEMENT OF EXPENSES AS SPECIAL COUNSEL TO THE DEBTORS**

To All Creditors and Parties-In-Interest:

1. Applicant was authorized to serve as counsel to the Debtors effective March 26, 2003. An order approving the retention of Shearman & Sterling LLP as special counsel is attached hereto as Exhibit A.
2. This is a final fee application for the period from March 26, 2003 through May 31, 2003.
3. Final allowance is sought in the amount of \$63,797.77, composed of \$63,405.00 in fees and \$392.77 for reimbursement of expenses.
4. Previous interim compensation tentatively allowed to Applicant:

3/26/03-4/30/03	Fees: \$24,222.00	Expenses \$117.48
5/1/03-5/31/03	Fees: \$26,502.00	Expenses \$275.29
5. The total amount of compensation paid on an interim basis pursuant to the Order Under 11 U.S.C. §§ 105(a) And 331 Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals dated May 2, 2002 (the "Administrative Order") was 80% of the fee amount, which totals \$50,724.00, and 100% of the expenses of \$392.77, for a total amount of \$51,116.77.
6. Payment is sought for fees in the amount of \$12,681.00, representing the difference between 100% of the total fees for the fee period and the actual payments received by S&S pursuant to the Administrative Order.

7. Any written objections to this Final Fee Application must be served on the Notice Parties, as that term is defined in the Administrative Order no later than January 30, 2004.

Dated: January 12, 2004

Respectfully Submitted,

SHEARMAN & STERLING LLP

By: 

Fredric Sosnick  
599 Lexington Avenue  
New York, NY 10022  
Tel: (212) 848-4000  
Special Counsel to Debtors

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

-----X  
In re : **Chapter 11**  
: :  
SPECIAL METALS CORPORATION, et al., : **Bankruptcy Nos. 02-10335-**  
: **02-10338**  
: :  
: **JOINTLY ADMINISTERED**  
: :  
: **JUDGE WILLIAM S. HOWARD**  
-----X

**FINAL APPLICATION OF SHEARMAN &  
STERLING LLP FOR ALLOWANCE OF COMPENSATION AND  
REIMBURSEMENT OF EXPENSES AS SPECIAL COUNSEL TO THE DEBTORS**

TO: THE HONORABLE WILLIAM S. HOWARD

Shearman & Sterling LLP (hereinafter "S&S"), pursuant to sections 330(a) and 331 and of title 11, United States Code (the "Bankruptcy Code") and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), files the within Final Fee Application Of Shearman & Sterling LLP For Allowance Of Compensation And Reimbursement Of Expenses As Special Counsel To The Debtors and respectfully represents 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 (collectively, the "Debtors"), filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code on March 27, 2002. The Debtors continue to conduct their business and affairs as debtors in possession.

2. On March 29, 2002, this Court entered an order directing the joint administration of the Debtors' chapter 11 cases.

3. On March 26, 2003, S&S was employed under a general retainer to represent the Debtors as special counsel with respect to antitrust related issues. A copy of the order approving the retention and employment of S&S nunc pro tunc to March 26, 2003 is attached hereto as Exhibit A.

4. S&S files this Application for the final allowance of compensation for legal services rendered during the period from March 26, 2003 through and including May 31, 2003 (the "Fee Period"), and for the allowance of reimbursement for the actual and necessary expenses incurred by it in this case during the Fee Period.

5. All services for which compensation is requested by S&S were performed during the Fee Period for or on behalf of the Debtors.

6. No agreement or understanding has existed or does exist between S&S and any other person for the sharing of compensation received or to be received in this case.

7. Attached hereto as Exhibit B is a detailed statement of fees incurred.

8. This is the final fee application filed by S&S in this case.

#### SUMMARY OF SERVICES RENDERED

9. Time and Labor Expended. During the Fee Period, S&S provided a total of 142.8 hours of professional and paraprofessional services on behalf of the Debtors. The value of the services performed by S&S on behalf of the Debtors during the Fee Period is \$63,405.00; S&S incurred a total of \$392.77 in disbursements during the Fee Period related to services performed. Attached to this Application as Exhibit B are the invoices of services and disbursements expended by S&S during the Fee Period. The invoices include descriptions of the services provided, divided by category, and include the subject matter and nature of the services performed. A summary of fees by category is set forth at the beginning of each invoice. A

schedule of the disbursements and other expenses is set forth on pages 5-6 of each invoice. A schedule of the total time expended by each professional in this case is set forth in Exhibit C.

10. Time and Difficulty of the Questions Involved. During these Chapter 11 cases, the Debtors considered selling substantially all of their assets and received inquiries offers from potential purchasers, with which the Debtors conducted negotiations. Any such sale may have implicated the Clayton Act, 15 U.S.C. § 18, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. § 18a, and other federal and state antitrust laws, and thus would have been subject to scrutiny of the Department of Justice, the Federal Trade Commission, and state attorneys general to determine whether the proposed transaction violated the antitrust laws.

11. Skill Requisite to Perform the Legal Services Properly. S&S attorneys are knowledgeable in the area of antitrust law for which their services are rendered and for the antitrust issues that were faced by the Debtors. S&S's antitrust group consists of 8 partners and 36 associates, who are among the leading practitioners in the various areas of competition law. In the past three years alone, S&S's antitrust group has been involved in securing over 160 merger clearances in the U.S. Thus, S&S was particularly well suited to provide antitrust counsel to the Debtors in an effective, efficient, and timely manner.

12. Preclusion of Other Employment. S&S's representation of the Debtors in these cases precluded its representation of other potential clients.

13. Customary Fee. The rates charged by S&S in these cases are the regular and customary rates charged by S&S in cases of this nature. The rates of S&S attorneys and paralegals are shown on the invoice. The fee requested by S&S is not fixed or contingent, but is based upon S&S's regular hourly rates in cases of this nature.

### Itemization of Fees and Costs

14. The attorneys and paraprofessionals of S&S who have rendered professional services in these cases are Jessica L. Biggio, Wayne Dale Collins, Beau Buffier, Susan A. Fennessey, John R. Seward, David Wales, Andrea Haggerty and William C. Ellis. The invoice shows the standard hourly rate charged for each professional and paraprofessional.

15. S&S, by and through the above-named persons, undertook considerable efforts to provide the Debtors with necessary legal services required in connection the Debtors' antitrust issues. In particular, S&S attorneys advised the Debtors on the antitrust aspects of the potential sale of their assets, held meetings with the Debtors and potential purchasers of the Debtors' assets, and conducted factual and legal research regarding issues presented by various transactions.

16. Fees. As shown on the cover page to the invoice, fees for professional services rendered during the Fee Period are \$63,405.00. S&S submits that all fees are reasonable and necessary.

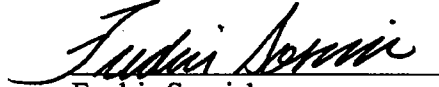
17. Costs. S&S incurred out-of-pocket disbursements during the Fee Period of \$392.77. This disbursement sum is broken down into categories of charges, including, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand-delivery charges, document processing, photocopying charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by S&S to outside copying services for use in mass mailings, travel expenses, expenses for "working meals," computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. A complete list by category of the expenses incurred for the Fee Period may be found on pages 5-6 of each invoice attached hereto as Exhibit B.

18. Interim Fee Order Holdback Amounts. The Order Under 11 U.S.C. §§ 105(a) And 331 Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals dated May 2, 2002 (the “Administrative Order”) provides for the monthly submission of professional fee applications requesting eighty percent of the uncontested fees and one hundred percent of the uncontested expenses. The twenty percent hold back for the Fee Applications submitted by S&S in these cases equals \$12,681.00 and payment is hereby requested.

19. WHEREFORE, S&S respectfully requests that this Honorable Court enter an order approving (a) final allowance in the amount of \$63,797.77, which is composed of \$63,405.00 as compensation for necessary professional services rendered to the Debtors during these cases, and the sum of \$392.77 for reimbursement of actual and necessary expenses incurred during these cases, (b) final allowance in the amount of \$12,681.00, representing the difference between 100% of the total fees set forth in the fee applications submitted by S&S in these cases and the actual interim payments received by S&S, as compensation for necessary professional services rendered to the Debtors, and directing the Debtors to pay such amount; and (c) such other and further relief as this Court may deem just and proper.

Dated: January 12, 2004

Respectfully Submitted,  
**SHEARMAN & STERLING LLP**



Fredric Sosnick  
599 Lexington Avenue  
New York, New York 10022  
Telephone: (212) 848-4000  
Facsimile: (212) 848-7179

Special Counsel to the Debtors  
and Debtors in Possession



**NOTICE OF HEARING**

**PLEASE TAKE NOTICE** that the foregoing First Final Fee Application of Shearman & Sterling LLP will be brought on for hearing before the United States Bankruptcy Court, Eastern District of Kentucky, 100 East Vine Street, Lexington, Kentucky 40507, on February 5, 2004, at the hour of 2:00 p.m., or as soon thereafter as counsel may be heard.

Respectfully submitted,

/s/ Gregory R. Schaaf

Gregory R. Schaaf  
Kimberly H. Bryant  
GREENEBAUM DOLL & McDONALD PLLC  
300 West Vine Street, Suite 1100  
Lexington, Kentucky 40507  
Telephone: (859) 231-8500  
Facsimile: (859) 255-2742  
**COUNSEL FOR THE DEBTORS**

**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of the foregoing was served this 12th day of January, 2004, by regular United States mail, postage prepaid, upon the following:

Special Metals Corporation  
Attn: Dennis Wanlass  
3200 Riverside Drive  
Huntington, WV 25705-1771

McGuireWoods LLP  
Attn: Robert G. Sable and Mark E. Freedlander  
625 Liberty Avenue  
Dominion Tower, 23<sup>rd</sup> Floor  
Pittsburgh, PA 15222

Blank Rome Tenzer & Greenblatt, LLP  
Attn: Marc E. Richards  
Chrysler Building  
405 Lexington Avenue  
New York, NY 10174-0208

Stoll, Keenon & Park, LLP  
Attn: Gregoroy D. Pavey  
300 West Vine Street, Suite 2100  
Lexington, KY 40507

Credit Lyonnais  
c/o Latham & Watkins  
Attn: Robert Rosenberg and Shari Siegel  
885 Third Avenue, Suite 1000  
New York, NY 10022

Wise & DelCotto PLLC  
Attn: Tracey N. Wise  
219 North Upper Street  
Lexington, KY 40507

Office of the United States Trustee  
100 East Vine Street, Suite 803  
Lexington, Kentucky 40507

/s/ Gregory R. Schaaf  
**COUNSEL FOR THE DEBTORS**

## DECLARATION

Fredric Sosnick, pursuant to 28 U.S.C. § 1746, hereby declares under penalty of perjury as follows:

1. I am a Partner in the applicant firm, Shearman & Sterling LLP, and have been admitted to the bar of the Supreme Court of New York since 1994.
2. I am familiar with the work performed on behalf of the Debtors by the lawyers and paraprofessionals in the firm.
3. The facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief.
4. S&S is a disinterested person and does not represent or hold an interest adverse to the interests of the debtors or their estates on the matters for which it was retained.
5. No agreement or understanding exists between S&S or any of its employees and any other person or persons for a division of compensation in this proceeding. No division of fees prohibited by 11 U.S.C. § 504 has been or will be made. No agreement prohibited by 18 U.S.C. § 55 has been or will be made by S&S or any of its employees. No other prohibited division of compensation has been or will be made by S&S or any of its employees.

6. 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.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on this 21<sup>st</sup> day of January, 2004.

  
\_\_\_\_\_  
FREDRIC SOSNICK

**TABLE**

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

EASTERN DISTRICT OF KENTUCKY  
FILED

IN RE: ) Chapter 11  
SPECIAL METALS CORPORATION, et al. ) Bankruptcy Nos. 02-10335 -  
02-10338 ) AT LEXINGTON  
JOINTLY ADMINISTERED ) JERRY D. TRUITT, CLERK  
U.S. BANKRUPTCY COURT  
JUDGE WILLIAM S. HOWARD

APR 30 2003

**ORDER AUTHORIZING DEBTORS TO RETAIN AND EMPLOY  
SHEARMAN & STERLING, NUNC PRO TUNC, AS SPECIAL COUNSEL**

This matter coming before the Court on the Application of Debtors and Debtors in Possession for an Order Authorizing the Employment of Shearman & Sterling ("Shearman") as Special Counsel pursuant to Section 327(e) of the Bankruptcy Code (the "Application"), filed by the above-captioned debtors in possession (collectively, the "Debtors"); the Court having reviewed (i) the Application and (ii) the affidavit of Wayne Dale Collins (the "Affidavit"), and the Court having determined that the legal and factual bases set forth in the Application and the Affidavit establish just cause for the relief granted herein;

THE COURT HEREBY FINDS THAT:

- A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.
- B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
- C. Notice of the Application was sufficient under the circumstances.
- D. The Application and the Affidavit are in full compliance with all applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Bankruptcy Rules of this Court. Shearman does not hold or represent any interest adverse to the Debtors' estates with respect to the matters on which it is to be employed.
- E. The Debtors' employment of Shearman in accordance with the Application and this Order is in the best interests of the Debtors and their respective estates and creditors.

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IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED.
2. Capitalized terms not otherwise defined herein have the meanings given to them in the Application.
3. The Debtors are authorized to retain and employ Shearman as Special Counsel in antitrust related matters, pursuant to section 327 of the Bankruptcy Code, on the terms and conditions set forth in the Application, nunc pro tunc, effective as of March 26, 2003.
4. Shearman shall be compensated for its services and reimbursed for its related expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the Administrative Order entered by this Court on May 2, 2002.

Dated: \_\_\_\_\_ APR 30 2003

  
United States Bankruptcy Judge

TENDERED BY:

  
McGUIREWOODS LLP  
Robert G. Sable, Esquire  
Mark E. Freedlander, Esquire  
Dominion Tower, 23<sup>rd</sup> Floor  
325 Liberty Avenue  
Pittsburgh, PA 15222  
Telephone: (412) 667-6000

-and-

**GREENEBAUM DOLL & MCDONALD PLLC**

Gregory R. Schaaf, Esquire  
333 W. Vine Street, Suite 1400  
Lexington, KY 40507  
Telephone: (859) 231-8500  
Facsimile: (859) 255-2742

Pursuant to Local Rule 9022-1(c), counsel for the Debtor, shall cause a copy of this order to be served on the parties listed on the current Short Service List approved by the Court pursuant to Local Rule 9022-1(a) and shall file with the Court a certificate of service of the order upon such parties within ten (10) days hereof.

LEX-617337.1

FIN: 121646 v. 1

**EXHIBIT B**

10/10/2010 10:10:10 AM

10/10/2010 10:10:10 AM

**SHEARMAN & STERLING**  
599 LEXINGTON AVENUE  
NEW YORK, NY 10022-6069  
212 848-4000

May 27, 2003

Robert F. Dropkin  
Special Metals Corporation  
4317 Middle Settlement Road  
New Hartford, New York 13413

When remitting,  
please reference:

04413-00006

Invoice Number: \*\*\*\*\*

---

FOR PROFESSIONAL SERVICES RENDERED as special counsel to Special Metals Corporation with respect to antitrust related issues.

FEES.....	\$30,277.50
COSTS related thereto.....	<u>\$117.48</u>
TOTAL.....	<u>\$30,394.98</u>

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TIME AND COSTS, IF ANY, RECORDED AFTER DATE  
OF STATEMENT WILL APPEAR ON A SUBSEQUENT STATEMENT  
TAX IDENTIFICATION NUMBER 13-5514352



SHEARMAN & STERLING  
599 LEXINGTON AVENUE  
NEW YORK, NY 10022-6069  
212 848-4000

May 27, 2003

Robert F. Dropkin  
Special Metals Corporation  
4317 Middle Settlement Road  
New Hartford, New York 13413

When remitting,  
please reference:

04413-00006

Invoice Number: \*\*\*\*\*

---

FOR PROFESSIONAL SERVICES RENDERED as special counsel to Special Metals Corporation with respect to  
antitrust related issues.

FEES..... \$30,277.50

COSTS related thereto..... \$117.48

TOTAL..... \$30,394.98

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**PAYMENT INSTRUCTIONS**

*Please return this remittance copy with your payment to the attention of the Financial Services Department.  
For wire transfer payment, please send funds to:*

Citibank, N.A.  
Private Banking Division  
153 East 53rd Street, NY, NY 10043  
ABA #021000089

Shearman & Sterling  
General 1 Account  
Account #09280096

May 27, 2003

SPECIAL METALS CORPORATION  
Page Number: 2

Account Number: 04413-00006  
Invoice Number: \*\*\*\*\*

**TIME DETAIL**

<b>DATE</b>	<b>TIMEKEEPER</b>	<b>DESCRIPTION</b>	<b>HOURS</b>
03/31/2003	Biggio, Jessica L.	Telephone call with D. Wales and B. Buffier regarding details of transaction and bankruptcy process (.4)	0.40
03/31/2003	Wales, David	Telephone call with J. Biggio and B. Buffier regarding details of transaction and bankruptcy process.	0.40
03/31/2003	Buffier, Beau W.	Research on Special Metals products and research on DOJ actions in Blackstone/Inco deal (Special Metals) (1.9); Telephone call with Jess Biggio and D. Wales regarding details of potential transaction and bankruptcy process (.4)	2.30
04/07/2003	Biggio, Jessica L.	Telephone call with B. Sable regarding retention issues (.5); Review materials to be submitted to bankruptcy court regarding retention (.3); Telephone call with D. Wales regarding bankruptcy and antitrust issues (.3)	1.10
04/07/2003	Wales, David	Telephone call with J. Biggio regarding bankruptcy procedures and antitrust issues (.3); telephone call with D. Swan regarding bankruptcy issues (.4); reviewed bankruptcy orders (.8).	1.50
04/08/2003	Collins, Wayne Dale	Review background information for preliminary antitrust analysis (.3); Telephone call with Buffier regarding preliminary antitrust analysis (.2), Telephone call with Biggio regarding same, meeting strategy (.2)	0.70
04/08/2003	Biggio, Jessica L.	Review materials regarding preliminary meeting analysis (1.0); Telephone call with D. Collins regarding antitrust analysis meeting strategy (.2); Meeting with B. Buffier and D. Wales regarding status (.4)	1.60
04/08/2003	Wales, David	Review and revise draft representation filing (1.1); Telephone call with J. Biggio and B. Buffier regarding status (.4); Telephone call with B. Buffier and S. Fennessey regarding retention status (.2)	1.70
04/08/2003	Buffier, Beau W.	Meeting with J. Biggio and D. Wales regarding status (.4); Telephone call with S. Fennessey regarding conflicts check (0.1); Review conflicts check for bankruptcy issues (.7); Reviewing Inco/Special Metals files for information relevant to deal and other background material (2.5); Telephone call with D. Collins regarding preliminary antitrust analysis (.2); Telephone call with D. Wales and S. Fennessey regarding retention status (.2)	4.10

May 27, 2003

SPECIAL METALS CORPORATION  
Page Number: 3

Account Number: 04413-00006  
Invoice Number: \*\*\*\*\*

DATE	TIMEKEEPER	DESCRIPTION	HOURS
04/08/2003	Fennessey, Susan A.	Locate and review precedents for retention application and affidavit in support (.3); telephone call from B. Buffier and D. Wales regarding retention status (.2); discuss conflicts email with C. Ellis (.1); receive, review and mark up draft application and affidavit from McGuire Woods (.9); telephone call from B. Buffier regarding conflicts checks (.1); review creditor/principals list regarding same (.1); emails to J. Biggio, D. Wales and B. Buffier regarding status of application (.1); telephone call from D. Swan regarding application and local requirements (.2); review conflicts reports (1.1); email to group regarding bankruptcy timekeeping (.1).	3.20
04/09/2003	Collins, Wayne Dale	Review background information for preliminary antitrust analysis (1.5); Meeting with Biggio, Buffier regarding preliminary antitrust analysis (.5); Meeting with above plus Dropkin, other client representatives (.4); Meeting with above plus bidder representatives (2.9)	5.30
04/09/2003	Biggio, Jessica L.	Meeting with B. Buffier and Collins regarding preliminary Antitrust analysis (.5); Telephone call with B. Buffier, D. Collins, R. Dropkin an other client representatives (.4); Meeting with above plus Blackstone representatives (2.5)	3.40
04/09/2003	Wales, David	Review and revise draft representation filing (1.1); Telephone call with B. Buffier regarding filing and process (.3); Review agenda for strategy meeting (.2); Telephone call with S. Fennessey regarding status and language in an affidavit (.1)	1.70
04/09/2003	Buffier, Beau W.	Review files from Special Metals - Inco deal and research on potential bidder (1.9); Telephone call with Dave Wales regarding meeting and bankruptcy affidavit (0.3); Review of antitrust analysis prepared by Simpson Thacher (0.5); Meet with Collins, Biggio regarding preliminary antitrust analysis (0.5); Meet with Collins, Biggio Dropkin and other client representatives (0.4); Meet with Blackstone/Haynes, Simpson Thacher and Dropkin (2.9)	6.50
04/09/2003	Fennessey, Susan A.	Review additional conflicts reports regarding bidders (.3); telephone call from D. Wales regarding status and language in affidavit (.1).	0.40
04/10/2003	Wales, David	Review market materials and antitrust outline (4.1)	4.10
04/10/2003	Buffier, Beau W.	Meeting with S. Fennessey regarding status (.1)	0.10
04/10/2003	Fennessey, Susan A.	Discuss status and comments with B. Buffier (.1); revise application to incorporate comments from D. Wales and B. Buffier (.2); email from B. Buffier regarding same (.1).	0.40
04/10/2003	Haggerty, Andrea E.	Research internal database for volume of Hart-Scott-Rodino filings (2000 to 2002) (in preparation for bankruptcy application).	1.10

May 27, 2003

SPECIAL METALS CORPORATION  
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Account Number: 04413-00006  
Invoice Number: \*\*\*\*\*

DATE	TIMEKEEPER	DESCRIPTION	HOURS
04/11/2003	Biggio, Jessica L.	Telephone call with B. Buffier and D. Wales regarding strategy (.1); Telephone call with R. Dropkin regarding strategy (.2); Telephone call with D. Wales regarding data requests (.2)	0.50
04/11/2003	Wales, David	Review market materials (2.4); Telephone call with J. Biggio and B. Buffier regarding strategy (.1); Telephone call with J. Biggio regarding data requests (.2); Telephone call with J. Biggio, B. Buffier and R. Dropkin regarding strategy (.2); Telephone call with B. Buffier regarding strategy (.2); Telephone call with B. Buffier regarding overlap chart (.2).	3.30
04/11/2003	Buffier, Beau W.	Telephone call with Dave Wales regarding Special Metals chart of overlaps (0.2); Telephone call with Simpson Thacher regarding overlap and confidentiality (0.1); Email to Charles Coob; Telephone call with Dave Wales, Jess Biggio regarding strategy going forward (0.1); Telephone call with Dropkin regarding strategy (0.2); Letter to Dropkin regarding overlap chart (0.1); Telephone call with Dave Wales regarding follow-up questions (.2)	0.90
04/12/2003	Buffier, Beau W.	Review of overlap chart and drafting questions for client (.9)	0.90
04/14/2003	Wales, David	Review draft application (.6); review and revise questions for client regarding market facts (.3).	0.90
04/14/2003	Buffier, Beau W.	Drafting additional questions for antitrust information collection (.7); Email to David Wales (.1)	0.80
04/14/2003	Fennessey, Susan A.	Review revised draft application and order (.5); review conflicts check on top 20 creditor lists (.8); make final revisions to application and affidavit and send to B. Buffier for execution of affidavit (.4).	1.70
04/15/2003	Wales, David	Review and revise questions for chart regarding market facts (2.8).	2.80
04/15/2003	Buffier, Beau W.	Review of final draft application and notarization of application (.2); Email to Bob Dropkin regarding questions for antitrust analysis (.1)	0.30
04/15/2003	Fennessey, Susan A.	Receive and review executed affidavit (.1); send final documents to McGuire Woods for review and filing (.1).	0.20
04/16/2003	Fennessey, Susan A.	Exchange emails with D. Austin regarding status of application (.1); exchange emails with K. Wilson regarding application and affidavit (.1); send original executed affidavit to K. Wilson (.1).	0.30
04/18/2003	Wales, David	Review market data (.6); telephone call with B. Dropkin regarding data issues(.2).	0.80
04/21/2003	Biggio, Jessica L.	Telephone call with D. Wales regarding status	0.20
04/21/2003	Wales, David	Telephone call with J. Biggio regarding status (.2); review and revise draft confidentiality agreement (1.7); telephone call with B. Buffier regarding agreement(.3).	2.20

May 27, 2003

SPECIAL METALS CORPORATION  
Page Number: 5

Account Number: 04413-00006  
Invoice Number: \*\*\*\*\*

DATE	TIMEKEEPER	DESCRIPTION	HOURS
04/21/2003	Buffier, Beau W.	E-mail to Dropkin regarding confidentiality agreements (.1) Drafting joint defense agreement (.8); Telephone call with Dave Wales regarding joint defense (.3); Email with D. Wales regarding same (.1)	1.30
04/22/2003	Biggio, Jessica L.	Telephone call with D. Wales regarding timing (.3); Meeting with B. Buffier regarding joint defense (.1)	0.40
04/22/2003	Wales, David	Review, revise joint defense agreement (.5); telephone call with J. Biggio regarding timing (.3).	0.80
04/22/2003	Buffier, Beau W.	Telephone calls with Anne Radelay (Simpson Thacher) regarding joint defense (.30); Email to Dropkin regarding draft joint defense; Meeting with J. Biggio regarding joint defense (.10)	0.40
04/23/2003	Biggio, Jessica L.	Telephone call with B. Sable regarding Hart-Scott-Rodino requirements	0.20
04/23/2003	Buffier, Beau W.	Email correspondence with S. Fennessey regarding fee application (.1)	0.10
04/23/2003	Fennessey, Susan A.	Exchange emails with B. Buffier regarding fee application requirements (.1); review order regarding same (.1).	0.20
04/24/2003	Biggio, Jessica L.	Telephone call with D. Wales regarding due diligence (.3)	0.30
04/24/2003	Wales, David	Telephone call with J. Biggio regarding due diligence (.3); telephone call with B. Buffier regarding due diligence (.2); telephone call with B. Dropkin regarding due diligence (.2).	0.70
04/24/2003	Buffier, Beau W.	Telephone call with D. Wales regarding due diligence (.2)	0.20
04/25/2003	Wales, David	Review market materials (.4); telephone call with B. Buffier regarding confidentiality agreement (.3); review confidentiality agreement (1.1); telephone call with A. Radley regarding confidentiality agreement (.1).	1.90
04/25/2003	Buffier, Beau W.	Telephone calls with Simpson Thacher regarding confidentiality agreement (.1); Telephone call with Bob Dropkin (.1); Telephone call with D. Wales regarding confidentiality agreement (.3)	0.50
04/28/2003	Wales, David	Telephone call with J. Cohen confidentiality issues (.3); telephone call with B. Dropkin regarding conference call (.2).	0.50
04/29/2003	Wales, David	Telephone call with B. Dropkin regarding conference call (.2).	0.20
04/30/2003	Seward, John R.	Have overlap chart copied and sent to J. Biggio (.1); review antitrust case file (.6).	0.70
<b>TOTAL HOURS</b>			<b>64.20</b>
<b>FEES.....</b>			<b>\$30,277.50</b>

May 27, 2003

SPECIAL METALS CORPORATION  
Page Number: 6

Account Number: 04413-00006  
Invoice Number: \*\*\*\*\*

COST DETAIL

DATE	CODE	DESCRIPTION	AMOUNT
03/30/03	FED	Inv#910907356 TR#630018640230RF:97611-00001 00001 COLLIN; Sent: ANIL LALL, 599 LEX, NY TO: ROBERT F. DROPKIN at SPECIAL METALS CORPORATIO, 4317 MIDDLE SETTLEMENT RO, NEW HARTFORD NY Ref: 26633009 23929	11.36
04/09/03	CPY	40 COPIES AT Copy C1 Level-Copy Center Ref: 26536062 23675	7.20
04/10/03	TEL	TO 2025088131 IN WASHINGTONDC FROM 1(212) 848-7878 AT 02:32pm Ref: 26561920 23705	4.62
04/11/03	FED	Inv#910907371 TR#630018647598RF:04413-00006 13624 BUFFIE; Sent: ANIL LALL, 599 LEX, NY TO: ROBERT DROPKIN at SPECIAL METALS CORPORATIO, 4317 MIDDLE SETTLEMENT RO, NEW HARTFORD NY Ref: 26873796 24230	15.03
04/11/03	TEL	TO 2025088131 IN WASHINGTONDC FROM 1(212) 848-4843 AT 03:28pm Ref: 26570267 23705	6.46
04/11/03	TEL	TO 3157982023 IN UTICANY FROM 1(212) 848-4843 AT 02:44pm Ref: 26569639 23705	2.73
04/15/03	CPY	6 COPIES AT 599 9 Floor Ref: 26584323 23731	1.08
04/15/03	FCS	5 PAGES transmitted TO 16468487878 FROM 212-848-7487 AT 10:45am Ref: 26584808 23732	7.50
04/16/03	FED	Inv#910907376 TR#630018649649RF:04413-00006 10349 FENNES; Sent: ANIL LALL, 599 LEX, NY TO: KAREN WILSON at GREENEBAUM DOLL & MCDONAL,333 WEST VINE STREET, LEXINGTON KY Ref: 26633572 23930	12.08
04/23/03	CPY	123 COPIES AT 599 9 Floor Ref: 26622222 23888	22.14
04/25/03	TEL	TO 2025088131 IN WASHINGTONDC FROM 1(212) 848-4843 AT 03:58pm Ref: 26712051 23978	3.70
04/28/03	CPY	111 COPIES AT S&S REPRO 1 WDC Ref: 26642028 23964	19.98
04/28/03	CPY	4 COPIES AT Ref: 26642029 23964	.72
04/30/03	CPY	16 COPIES AT S&S REPRO 2 WDC Ref: 26741957 24021	2.88

COST SUMMARY

CPY	Inhouse Photocopies	54.00
FCS	Facsimile Transmission	7.50
FED	FEDERAL EXPRESS	38.47

May 27, 2003

SPECIAL METALS CORPORATION  
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Invoice Number: \*\*\*\*\*

TEL Telephone Charges	17.51	
<b>COSTS related thereto</b> .....		<b><u>\$117.48</u></b>
<b>TOTAL</b> .....		<b><u>\$30,394.98</u></b>

May 27, 2003

SPECIAL METALS CORPORATION  
Page Number: 8

Account Number: 04413-00006  
Invoice Number: \*\*\*\*\*

**SUMMARY OF TIME CHARGES**

<b>TIMEKEEPER</b>	<b>HOURS</b>	<b>RATE</b>	<b>AMOUNT</b>
Jessica L. Biggio	8.10	625.00	5,062.50
Wayne Dale Collins	6.00	700.00	4,200.00
Beau W. Buffier	18.40	400.00	7,360.00
Susan A. Fennessey	6.40	400.00	2,560.00
John R. Seward	0.70	350.00	245.00
David Wales	23.50	450.00	10,575.00
Andrea E. Haggerty	1.10	250.00	275.00
<b>TOTALS</b>	<b>64.20</b>		<b>\$30,277.50</b>



**SHEARMAN & STERLING**  
599 LEXINGTON AVENUE  
NEW YORK, NY 10022-6069  
212 848-4000

June 30, 2003

Robert F. Dropkin  
Special Metals Corporation  
4317 Middle Settlement Road  
New Hartford, New York 13413

When remitting,  
please reference:

04413-00006

Invoice Number: 2316916

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FOR PROFESSIONAL SERVICES RENDERED as special counsel to Special Metals Corporation with respect to  
antitrust related issues.

<b>FEES</b> .....	<b>\$33,127.50</b>
<b>COSTS</b> related thereto.....	<b><u>\$275.29</u></b>
<b>TOTAL</b> .....	<b><u>\$33,402.79</u></b>

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TIME AND COSTS, IF ANY, RECORDED AFTER DATE  
OF STATEMENT WILL APPEAR ON A SUBSEQUENT STATEMENT  
TAX IDENTIFICATION NUMBER 13-5514352

**SHEARMAN & STERLING**  
599 LEXINGTON AVENUE  
NEW YORK, NY 10022-6069  
212 848-4000

June 30, 2003

Robert F. Dropkin  
Special Metals Corporation  
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FOR PROFESSIONAL SERVICES RENDERED as special counsel to Special Metals Corporation with respect to  
antitrust related issues.

<b>FEES</b> .....	<b>\$33,127.50</b>
<b>COSTS</b> related thereto.....	<b><u>\$275.29</u></b>
<b>TOTAL</b> .....	<b><u>\$33,402.79</u></b>

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**PAYMENT INSTRUCTIONS**

*Please return this remittance copy with your payment to the attention of the Financial Services Department.  
For wire transfer payment, please send funds to:*

Citibank, N.A.  
Private Banking Division  
153 East 53rd Street, NY, NY 10043  
ABA #021000089

Shearman & Sterling  
General I Account  
Account #09280096

SPECIAL METALS CORPORATION  
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Account Number: 04413-00006  
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TIME DETAIL

<u>DATE</u>	<u>TIMEKEEPER</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
05/02/2003	Biggio, Jessica L.	Conference call regarding antitrust analysis and data collection (1.2); Telephone call with D. Wales and John Seward regarding analysis and outline of memo (.2); Telephone call with D. Wales regarding data (.4)	1.80
05/05/2003	Biggio, Jessica L.	Telephone call with D. Wales regarding strategy issues	0.30
05/06/2003	Biggio, Jessica L.	Telephone with D. Wales regarding market data and strategy issues	0.40
05/07/2003	Biggio, Jessica L.	Meeting with D. Collins regarding substance and strategy (.40); Telephone call with D. Wales regarding draft memo and strategy (.40)	0.80
05/09/2003	Biggio, Jessica L.	Review outline of memo (.4); Telephone call regarding revisions to outline (.2)	0.60
05/14/2003	Biggio, Jessica L.	Revising draft memo (3.5); Telephone call with D. Wales regarding revising memo (.50); Finalizing memo (2.9)	6.90
05/07/2003	Collins, Wayne Dale	Meeting with J. Biggio regarding substance and strategy (.4)	0.40
05/02/2003	Fennessey, Susan A.	Telephone call with J. Seward regarding billing (.1)	0.10
05/19/2003	Fennessey, Susan A.	Draft fee application (1.2); telephone calls to J. Seward regarding same (.2); telephone call to C. Ellis regarding same (.1).	1.50
05/20/2003	Fennessey, Susan A.	Review pro formas and discuss with C. Ellis (.2); review and revise draft fee application (.2); telephone call to J. Seward regarding status (.1).	0.50
05/22/2003	Fennessey, Susan A.	Discuss status of fee application with C. Ellis.	0.10
05/27/2003	Fennessey, Susan A.	Review and revise draft fee application and exhibits (.5); discuss same with C. Ellis (.1); telephone call from J. Seward regarding same (.1); telephone call to K. Bryant regarding same (.1); telephone call to C. Ellis regarding same (.1).	0.70
05/28/2003	Fennessey, Susan A.	Review final draft fee application (.2); send same to J. Biggio for review and signature (.1); discuss status and coordinate filing with C. Ellis (.2).	0.50
05/01/2003	Seward, John R.	Prepare materials for J. Biggio for conference call on 5/2 re: Antitrust Analysis	0.30

SPECIAL METALS CORPORATION  
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DATE	TIMEKEEPER	DESCRIPTION	HOURS
05/02/2003	Seward, John R.	Conference call with J. Biggio, D. Wales, and SMC regarding nickel-based alloys business and antitrust strategy for Haynes/SMC deal (1.8); meeting with D. Wales and J. Biggio regarding same and memorandum to client (.4); coordinate revision of chart provided by Haynes with word processing (.2); telephone call with S. Fennessey regarding billing (.1); email correspondence with D. Wales and J. Biggio regarding same (.3); research regarding SMC and nickel-based alloy business (.7); read industry materials (.9); draft outline of memorandum to client (2.1).	6.50
05/05/2003	Seward, John R.	Revise outline of memorandum to client regarding potential antitrust arguments and strategy (1); meeting with D. Wales regarding same (.1); meeting with D. Wales regarding overlap chart and outline (.2); revise overlap chart (.7); distribute overlap chart (.1)	2.10
05/06/2003	Seward, John R.	Meeting with D. Wales regarding outline (.3); Revise outline of memorandum to SMC regarding antitrust arguments and strategy (1.7)	2.00
05/07/2003	Seward, John R.	Revise outline (1.3); Meeting with D. Wales regarding same (.3)	1.60
05/08/2003	Seward, John R.	Meeting with D. Wales regarding memorandum to client on strategy and potential arguments (.3)	0.30
05/09/2003	Seward, John R.	Draft memorandum to client regarding strategy and potential arguments (3.2); telephone call with D. Scalice regarding bill preparation (.1).	3.30
05/11/2003	Seward, John R.	Revise memorandum to client regarding strategy and potential arguments.	0.90
05/12/2003	Seward, John R.	Revise memorandum to client regarding strategy and arguments (.3); review diary entries for SMC team (1.9); telephone call with S. Fennessey regarding fee application (.2); meeting with D. Wales regarding comments on draft memorandum (.1); review D. Wales comments (.2).	2.70
05/13/2003	Seward, John R.	Revise memorandum to client (3.8); meeting with D. Wales regarding revisions to memorandum (.5).	4.30
05/14/2003	Seward, John R.	Revise memorandum to client (2.1); telephone call with J. Biggio regarding memorandum revisions (.1); meeting with D. Wales regarding memorandum revisions (.4); telephone call with D. Scalice regarding billing (.1).	2.70
05/15/2003	Seward, John R.	Meeting with D. Wales regarding memorandum revisions (.2); revise memorandum to client (1.3).	1.50
05/15/2003	Seward, John R.	Review time entries for fee application.	0.80
05/19/2003	Seward, John R.	Review diary entries for preparation of fee application.	1.30

June 30, 2003

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DATE	TIMEKEEPER	DESCRIPTION	HOURS
05/02/2003	Wales, David	Prepare for telephone call with B. Dropkin and client representatives regarding data (.7); telephone call with J. Biggio regarding data (.4); telephone all with B. Dropkin and client representatives regarding data (1.8); post meeting with J. Seward (.4); review market data (1.2).	4.50
05/05/2003	Wales, David	Review market data (1.2); Review and revise substantive outline (1.0); Meeting with J. Seward regarding same (.1); Meeting with J. Seward regarding overlap chart (.2); Telephone call with J. Biggio regarding strategy (.3); Draft email to bidder regarding data issues (.4).	3.20
05/06/2003	Wales, David	Review and revise substantive outline (3.3); met with J. Seward regarding outline (.3); telephone call with C. Koob regarding data (.5); telephone call with J. Biggio regarding data and strategy (.4).	4.50
05/07/2003	Wales, David	Meeting with J. Seward regarding substantive outline (.3); Telephone call with J. Biggio regarding draft memo and strategy issues (.4).	0.70
05/08/2003	Wales, David	Telephone call with J. Biggio regarding substantive outline (.4); Meeting with J. Seward regarding outline (.3).	0.70
05/12/2003	Wales, David	Review draft substantive analysis memorandum for the client (1.6); met with J. Seward regarding memorandum (.3).	1.90
05/13/2003	Wales, David	Review draft risk analysis memorandum (4); met with J. Seward regarding memorandum (.5).	4.50
05/14/2003	Wales, David	Revise memorandum regarding antitrust risks (4.3); telephone call with J. Biggio regarding memorandum (.5); met with J. Seward regarding memorandum (.7).	5.50
05/15/2003	Wales, David	Revise memorandum regarding antitrust risk (3.7); telephone call with J. Biggio regarding memorandum (.6); telephone call with D. Collins regarding memorandum (.4).	4.70
05/20/2003	Ellis, William C.	Multiple discussions with Fennessey regarding fee application (.3); review and revise same (.8)	1.10
05/27/2003	Ellis, William C.	Multiple discussions with Fennessey regarding fee application (.2); prepare same for filing (2.2)	2.40
<b>TOTAL HOURS</b>			<b>78.60</b>
<b>FEES.....</b>			<b>\$33,127.50</b>

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**COST DETAIL**

DATE	CODE	DESCRIPTION	AMOUNT
05/13/03	CPY	1 COPIES AT 599 Comm Dept Ref: 24220	26862840 .18
05/28/03	CPY	21 COPIES AT 599 Comm Dept Ref: 24466	27020629 3.78
05/28/03	CPY	1 COPIES AT 599 Comm Dept Ref: 24466	27020639 .18
05/28/03	CPY	21 COPIES AT 599 Comm Dept Ref: 24466	27020664 3.78
05/30/03	CPY	2 COPIES AT 599 Comm Dept Ref: 24515	27056657 .36
05/20/03	FCS	13 PAGES transmitted TO 12128485273 AT 06:05am Ref: 26942693 24319	19.50
05/21/03	FCS	10 PAGES transmitted TO 12124069082 AT 06:05am Ref: 26958006 24348	15.00
04/30/03	POS	Postage and Courier - - VENDOR:Federal Express Corporation Requested by J. Seward	13.18
05/02/03	TEL	Telephone Charges - - VENDOR:Genesys Conferencing, Inc. Conference call requested by D. Wales	124.66
05/05/03	TEL	TO (212) 455-7232 IN NEW YORK NY FROM 1(202) 508- 8145 AT 01:53pm Ref: 26764163 24101	2.06
05/12/03	TEL	TO 2025088145 IN WASHINGTONDC FROM 1(212) 848- 7878 AT 07:02pm Ref: 26864314 24222	4.62
05/20/03	TEL	TO 4126677916 IN PITTSBURGHPA FROM 1(212) 848- 4167 AT 02:23pm Ref: 26951746 24335	1.84
05/27/03	TEL	TO 2025088145 IN WASHINGTONDC FROM 1(212) 848- 7878 AT 10:00am Ref: 27009637 24442	2.78
05/27/03	TEL	TO 8592318500 IN LEXINGTONKY FROM 1(212) 848- 7878 AT 03:23pm Ref: 27013146 24442	4.62
05/02/03	WRD	Word Processing - Washington, D. C.	56.25
05/28/03	WRD	Word Processing - New York SCAN PDF & EMAIL	22.50

**COST SUMMARY**

CPY	Inhouse Photocopies	8.28
FCS	Facsimile Transmission	34.50
POS	Postage and Courier	13.18
TEL	Telephone Charges	140.58
WRD	Word Processing	78.75

June 30, 2003

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**COSTS related thereto** ..... **\$275.29**

**TOTAL**..... **\$33,402.79**

June 30, 2003

SPECIAL METALS CORPORATION  
Page Number: 7

Account Number: 04413-00006  
Invoice Number: 2316916

**SUMMARY OF TIME CHARGES**

<b>TIMEKEEPER</b>	<b>HOURS</b>	<b>RATE</b>	<b>AMOUNT</b>
Jessica L. Biggio	10.80	625.00	6,750.00
Wayne Dale Collins	0.40	700.00	280.00
Susan A. Fennessey	3.40	400.00	1,360.00
John R. Seward	30.30	350.00	10,605.00
David Wales	30.20	450.00	13,590.00
William C. Ellis	3.50	155.00	542.50
<b>TOTALS</b>	<b>78.60</b>		<b>\$33,127.50</b>



EXHIBIT C

**EXHIBIT C  
TO FEE APPLICATION**

Name of Professional Person	Position of the Applicant, Area of Expertise, Date of Initial Employment, Year of Obtaining License to Practice	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
Jessica L. Biggio	Partner Since 2001 AT 1993 1994	\$625.00	18.9	\$11,812.50
Wayne Dale Collins	Partner Since 1987 AT 1993 1994	\$700.00	6.4	\$4,480.00
Beau Buffier	Associate AT 2001 2001 1999 (Australia)	\$400.00	18.4	\$7,360.00
Susan A. Fennessey	Associate BR 1998 2001	\$400.00	9.8	\$3,920.00
John R. Seward	Associate AT 1999 2001 2002 (Washington, DC)	\$350.00	31.0	\$10,580.00
David Wales	Associate AT 2003 1996 1997 (Washington, DC)	\$450.00	53.7	\$24,165.00
Andrea E. Haggerty	Specialist AT 1998	\$250.00	1.1	\$275.00
William C. Ellis	Legal Asst. BR 2000	\$155.00	3.5	\$542.50
Grand Total: \$63,405.00				
Total Hours: 142.80				
Blended Rate: \$452.88				

AT - Antitrust  
BR - Bankruptcy and Reorganization

\*All attorneys are licensed in New York State unless otherwise indicated.

**EXPENSE SUMMARY**

<b>Expense Category</b>	<b>Service Provider (If Applicable)</b>	<b>Total Expenses</b>
Inhouse Photocopies		\$62.28
Facsimile Transmission (\$1.50/page)		\$42.00
Federal Express		\$38.47
Postage & Courier		\$13.18
Telephone Charges		\$158.09
Word Processing		\$78.75
<b>TOTAL:</b>		<b>\$275.29</b>