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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11 Case No.
: :
AI REALTY MARKETING OF NEW YORK, : 01-40252 (AJG) through
INC., LASER ACQUISITION CORP., DDG I, : 01-40290 (AJG)
INC., SUNBEAM AMERICAS HOLDINGS :
LTD., et al., :
: :
Debtors. : (Jointly Administered)
: :
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NOTICE OF HEARING

PLEASE TAKE NOTICE that a hearing on the annexed First Application of American Appraisal Associates, Inc., as Appraisers for the Debtors, For Interim Allowance of Compensation for Professional Services Rendered and for Reimbursement of Actual and Necessary Expenses Incurred From August 4, 2001 Through January 31, 2002 (the "Application"), will be held before Honorable Arthur J. Gonzalez, United States Bankruptcy Judge, in Room 523 of the United States Bankruptcy Court for the Southern District of New York (the "Court"), One Bowling Green, New York, New York, on March 14, 2002 at 10:00 a.m. (New York City Time) (the "Hearing").

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Application must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User's Manual for the Electronic Case Filing System can be found at www.nysb.ucourts.gov, the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), Wordperfect or any other Windows-based word processing format (with a hard-copy delivered directly to Chambers), and shall be served in accordance with General Order M-242, and upon (i) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: George A. Davis, Esq.), counsel to the Debtors, (ii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st floor, New York, New York 10004 (Attn: Paul K. Schwartzberg, Esq.), and (iii) Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, New York 10019 and Simpson Thacher

& Bartlett, 425 Lexington Avenue, New York, New York 10017 (Attn: Peter Panteleo, Esq.), counsel to the Debtors' prepetition and postpetition lenders, so as to be received no later than March 11, 2002 at 5:00 p.m. (New York City Time).

Dated: New York, New York
February 21, 2002

/s/ Harvey R. Miller
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	.	Chapter 11 Case No.
AI REALTY MARKETING OF NEW YORK, INC., LASER ACQUISITION CORP., DDG I, INC., SUNBEAM AMERICAS HOLDINGS LTD., <u>et al.</u> ,	:	01-40252 (AJG) through 01-40290 (AJG)
		(Jointly Administered)

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**FIRST APPLICATION OF AMERICAN APPRAISAL ASOCIATES, INC., AS
APPRAISER FOR THE DEBTORS, FOR INTERIM ALLOWANCE OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
FOR REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES
INCURRED FROM AUGUST 4, 2001 THROUGH JANUARY 31, 2002**

TO THE HONORABLE ARTHUR J. GONZALEZ
UNITED STATES BANKRUPTCY JUDGE:

American Appraisal Associates (“AAA”), Appraiser for AI Realty Marketing of New York, Inc., Laser Acquisition Corporation, DDG I, Inc., Sunbeam Americas Holdings, Ltd. and substantially all of their direct and indirect domestic operating subsidiaries, as debtors and debtors in possession in these chapter 11 cases (collectively, the “Debtors”), for its first application (the “Application”), pursuant to sections 330(a) and 33 1 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for the interim allowance of compensation for professional services performed by AAA for the period commencing August 4,200 1 through January 3 1,

2002 (the “Compensation Period”), and for reimbursement of its actual and necessary expenses incurred during the Compensation Period, respectfully represents:

**SUMMARY OF PROFESSIONAL, COMPENSATION
AND REIMBURSEMENT OF EXPENSES REQUESTED**

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 the Court on April 19, 1995 (the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330, adopted on January 30, 1996 (the “UST Guidelines”) and the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals (the “Administrative Order” and, collectively with the Local Guidelines and UST Guidelines, the “Guidelines”). Pursuant to the Local Guidelines, a certification regarding compliance with same is attached hereto as Exhibit “A.”

2. **AAA** seeks allowance of interim compensation for professional services rendered to the Debtors during the Compensation Period, in the aggregate amount of \$585,520 and for reimbursement of expenses incurred in connection with the rendition of such services in the aggregate amount of \$100,000. During the Compensation Period, AAA appraisers expended a total of 609 days which compensation is requested.

3. There is no agreement or understanding between **AAA** and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these cases.

4. The fees charged by **AAA** in these cases are billed in accordance with its existing billing rates and procedures in effect during the Compensation Period. The rates **AAA**

charges for the services rendered by its professionals and paraprofessionals in these chapter 11 cases are the same rates AAA charges for professional and paraprofessional services rendered in comparable nonbankruptcy related matters. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable nonbankruptcy cases in a competitive national appraisal market.

5. Pursuant to the UST Guidelines, annexed hereto as Exhibit “B” is a schedule setting forth all **AAA** professionals and paraprofessionals who have performed services in these chapter 11 cases during the Compensation Period, the capacities in which each such individual is employed by AAA, the department in which each individual practices, the hourly billing rate charged by AAA for services performed by such individual, the aggregate number of hours expended in this matter and fees billed therefor.

6. Included in Exhibit “B” is a schedule specifying the categories of expenses for which AAA is seeking reimbursement and the total amount for each such expense category.

7. Pursuant to Section **II.D.** of the UST Guidelines, annexed hereto as part of Exhibit “B” is a summary of **AAA’s** time records billed during the Compensation Period, including the utilization of project categories as hereinafter described.

8. AAA maintains computerized records of the time spent by all AAA consultants in connection with the prosecution of the Debtors’ chapter 11 cases. Copies of these computerized records will be furnished to the Court and the United States Trustee for the Southern District of New York (the “United States Trustee”) in the format specified by the UST Guidelines.

9. To the extent that time or disbursement charges for services rendered or disbursements incurred relate to the Compensation Period, but were not processed prior to the preparation of this Application, **AAA** reserves the right to request additional compensation for such services and reimbursement of such expenses in a future application.

BACKGROUND

10. On February 6, 2001 (the “Commencement Date”), Sunbeam Corporation and the Debtors commenced cases under chapter 11 of the Bankruptcy Code. The chapter 11 cases of the Debtors are being administered separately from the chapter 11 case of Sunbeam Corporation. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

11. Pursuant to the Motion to the Court dated November 9, 2001, the Debtors were authorized to retain AAA as their appraisers to render appraisal services in the prosecution of these chapter 11 cases on an interim basis with the retention to become final following a hearing to consider any objections filed to the Debtors’ application for authority to employ AAA. No objections were filed to AAA’s retention and, thus, pursuant to the Final Retention Order dated November 29, 2001, the Debtors’ retention of AAA became final. The Order was **Nunc Pro Tunc** dated back to approve services rendered by AA4 beginning on August 4, 2001.

SUMMARY OF SERVICES

12. As set forth more fully in AAA's Engagement Letter dated September 6, 2001, which was approved on November 29, 2001 in the Court's Order Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Court for Authorization to Employ American Appraisal Associates, Inc. as Fresh-Start Valuation Consultants for the Debtor *Nunc Pro Tunc* to August 4, 2001, AAA was required to render a substantial amount of professional services during the Compensation Period. These services necessary to deal with the various critical issues typically faced by a debtor in a chapter 11 case and certain unique needs of the Debtors

13. The foregoing professional services performed by AAA were necessary and appropriate to the administration of the Debtors' chapter 11 cases. The professional services performed by AAA were in the best interests of the Debtors and other parties in interest. Compensation for the foregoing services as requested is commensurate with the complexity, importance and nature of the problems, issues or tasks involved. The professional services were performed with expedition and in an efficient manner.

14. **AAA** has a preeminent appraisal practice and enjoys a worldwide reputation for its expertise in valuation and

15. The professional services performed by AAA on behalf of the Debtors during the Compensation Period required an aggregate expenditure of 609 days by AAA's members, counsel, associates and paraprofessionals.

16. During the Compensation Period, AAA's hourly billing rates for appraisers was \$130 per hour. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable bankruptcy cases in a competitive national appraisal market. As noted, attached hereto is a schedule listing each AAA professional

and paraprofessional who performed services in these cases during the Compensation Period, the hourly rate charged by AAA for services performed by each such individual and the aggregate number of hours and charges by each such individual.

ACTUAL AND NECESSARY DISBURSEMENTS OF AAA

17. In addition, due to the location of the Debtors' businesses in relation to AAA's offices, frequent long distance telephone calls were required. On several occasions, overnight delivery of documents and other materials was required as a result of circumstances necessitating the use of such express services. These disbursements are not included in AAA's overhead for the purpose of setting billing rates. AAA has made every effort to minimize its disbursements in these cases. The actual expenses incurred in providing professional services were absolutely necessary, reasonable, and justified under the circumstances to serve the needs of the Debtors, their estates, and creditors.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

18. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent, and the value of such services, taking into account all relevant factors, including --

- (A) the time spent on such services;
- (B) the rates charged for such services;

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;

(D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and

(E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

19. In the instant case, AAA respectfully submits that the services for which it seeks compensation in this Application were, at the time rendered, believed to be necessary for and beneficial to the Debtors' rehabilitation and reorganization effort. Such services and expenditures were necessary to and in the best interests of the Debtors' estates. AAA further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, their estates, and all parties in interest.

20. In sum, the services rendered by AAA were necessary and beneficial to the Debtors' estates, and were consistently performed in a timely manner commensurate with the complexity, importance, and nature of the issues involved, and approval of the compensation sought herein is warranted.

MEMORANDUM OF LAW

21. The Debtors submit that the relevant legal authorities are set forth herein and that the requirement pursuant to Local Bankruptcy Rule 9013-1 that the Debtors file a memorandum of law in support of this Application is satisfied.

NOTICE

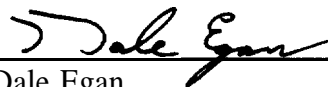
23. Notice of this Application has been provided to the United States Trustee and the attorneys **for** the Debtors' prepetition and postpetition lenders. The Debtors submit that no other or further notice need be provided.

CONCLUSION

WHEREFORE AAA respectfully requests (i) interim allowance of compensation for **professional** services rendered during the Compensation Period in the amount of \$585,520 and reimbursement for actual and necessary expenses **AAA** incurred during the Compensation Period in the amount of \$100,000; (ii) the allowance of such compensation for professional services rendered and reimbursement of actual and necessary expenses incurred be without prejudice to **AAA's** right to seek additional compensation for services performed and expenses **incurred** during the Compensation Period, which were not processed at the time of this Application; and (iii) the Court grant **AAA** such other and **further** relief as is just.

Dated: 2/14/02

AMERICAN APPRAISAL ASSOCIATES, INC.

B y : 
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General Counsel

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