

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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**SUMMARY SHEET PURSUANT TO UNITED STATES TRUSTEE GUIDELINES
FOR REVIEWING APPLICATIONS FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES FILED UNDER 11 U.S.C. §§ 330 AND 331**

SECOND INTERIM APPLICATION

NAME OF APPLICANT: American Appraisal Associates, Inc.
TIME PERIOD: February 1, 2002 through March 31, 2002
ROLE IN THE CASE: Fresh-Start Valuation Consultants for the Debtor
CURRENT APPLICATION:
Total Fees Incurred \$55,055.00
Total Fees Requested \$52,302.52
(Less 5% Holdback)
Expenses Requested: \$2,011.27
PRIOR APPLICATION:
Fees Previously Requested: \$585,520.00
Fees Previously Awarded: \$556,244.00
Expenses Previously Requested: \$100,000.00
Expenses Previously Awarded: \$100,000.00

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INC., SUNBEAM AMERICAS HOLDINGS :
LTD., et al., :
: :
Debtors. : (Jointly Administered)
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**SECOND APPLICATION OF AMERICAN APPRAISAL ASSOCIATES, INC., AS
APPRAISER FOR THE DEBTORS, FOR INTERIM ALLOWANCE OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
FOR REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES
FROM FEBRUARY 1, 2002 THROUGH MARCH 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 331 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 February 1, 2002 through March 31,

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

SUMMARY OF PROFESSIONAL COMPENSATION REQUESTED AND FOR REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES

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 ninety-five percent (95%) of the interim compensation for professional services rendered to the Debtors during the Compensation Period, in the aggregate amount of \$52,302.25 (totaling \$55,055.00), and for reimbursement of one-hundred percent (100%) of expenses incurred in connection with the rendition of such services in the aggregate amount of \$2,011.27. During the Compensation Period, AAA attorneys and paraprofessionals expended a total of 423.50 hours for which compensation is requested. AAA intends to seek approval of the remaining five percent (5%) of fees incurred for professional services rendered during the Compensation Period in its final fee application.

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. Annexed hereto as Exhibit "C" is a schedule specifying the categories of expenses for which AAA is seeking reimbursement and the total amount for each such expense category

7. 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.

8. 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

9. 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.

10. 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 AAA beginning on August 4, 2001.

11. On April 23, 2001, the Debtors filed a Statement of Financial Affairs, Schedule of Assets and Liabilities and Schedule of Executory Contracts and Unexpired Leases (collectively, the “Schedules”). Amended Schedules were filed on July 3, 2001. Further Amended Schedules will be filed as required.

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, as detailed below.

13. Prior to the Commencement Date, Debtor experienced significant growth internally and through acquisition. Included among Debtor's acquisitions were Coleman, First Alert, Mr. Coffee and Oster. The property records for the assets procured through the acquisitions were carried over into Debtor's possession, but never integrated fully into Debtor's property records system. This resulted in Debtor operating with multiple property record systems. AAA has performed on-site inspections and valuation of specified business units to include tangible and intangible assets using the generally accepted valuation methods known as the income (a discounted cash flow analysis) and market (a comparable company and comparable transaction analysis) approach. The purpose for these services of assisting Debtor in developing an accurate list of tangible and intangible assets found on each of Debtor's multiple property records systems to ten facilities operated by Debtor and to ascertain the values of Debtor's tangible and intangible assets.

14. AAA is, on an ongoing basis, reviewing the Debtor's historical property records including asset records and locating items that have been previously sold, traded, or otherwise disposed of, yet were never removed from the accounting books. For proper reporting

of the Fair Market Values of assets transferred into the Debtor's possession, AAA is in the process of creating a reliable listing of assets to be held by Debtor on the date Debtor exits from bankruptcy. Following the completion of the inventory, the assets that exist will be appraised at their estimated Fair Market Value for Fresh-Start accounting compliance. The appraisal process may include estimating values by direct comparison of similar assets that are sold, by estimates of the cost to acquire new, less some allowances for age and condition of the assets, or by the use of the property record to trend and depreciate assets that are known to exist as of the study date. In addition, at some of the Debtor's larger facilities, AAA has begun cross-referencing the asset listings currently held by Debtor with the assets historical costs and acquisition date. The Debtors will also need this service to comply with federal income tax and property tax requirements.

15. 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.

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

17. The professional services performed by AAA on behalf of the Debtors during the Compensation Period required an aggregate expenditure of 423.50 hours by AAA's members, counsel, associates and paraprofessionals. 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

18. 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 REQUESTED COMPENSATION SHOULD BE ALLOWED

19. 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).

20. 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.

21. 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

22. 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 \$52,302.25 (totaling \$55,055.00) and reimbursement for actual and necessary expenses AAA incurred during the Compensation Period in the amount of \$2,011.27; (ii) the allowance of such compensation for professional services rendered 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: April 19, 2002

AMERICAN APPRAISAL ASSOCIATES, INC.



By: _____

Dale Egan
General Counsel

411 E. Wisconsin Avenue
Suite 1900
Milwaukee, WI 53201
(414) 271-7240

EXHIBIT A

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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Debtors. : (Jointly Administered)
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**CERTIFICATION UNDER GUIDELINES FOR FEES AND
DISBURSEMENTS FOR PROFESSIONALS IN RESPECT OF SECOND
APPLICATION OF AMERICAN APPRAISAL ASSOCIATES, INC.
FOR INTERIM COMPENSATION**

I, Mark C. Luling, hereby certify that:

1. I am Vice President of the appraisal firm, American Appraisal Associates, Inc. (“AAA”), with responsibility for the chapter 11 cases of 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 (collectively, the “Debtors”), in respect of compliance 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”).

2. This certification is made in respect of AAA’s application, dated April 19, 2001 (the “Application”), for interim compensation for the period commencing February 1, 2002 through March 31, 2002 (the “Compensation Period”) in accordance with the Guidelines.

3. In respect of section B.1 of the Local Guidelines, I certify that:

- a. I have read the Application;
- b. to the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Local Guidelines;
- c. the fees and disbursements sought are billed at rates in accordance with practices customarily employed by AAA and generally accepted by AAA’s clients; and
- d. in providing a reimbursable service, AAA does not make a profit on that service, whether the service is performed by AAA in-house or through a third party.

4. In respect of section B.2 of the Local Guidelines and as required by the Administrative Order, I certify that AAA has complied with the provision requiring it to provide the Debtors, on a monthly basis, with a statement of AAA’s fees and disbursements accrued during the previous month.

5. In respect of section B.3 of the Local Guidelines, I certify that the United States Trustee for the Southern District of New York is being provided with a copy of the Application.

Dated: April 19, 2002

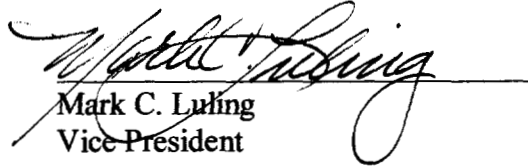

Mark C. Luling
Vice President

EXHIBIT B

(FEBRUARY)

Date	Description	Name	Title	Location	Hours	Rate	Total
02/04/02-02/09/02	Property Cost Control	Boeck, D.	Senior Analyst	AAA/Milwaukee Office	8.00	130.00	1,040.00
02/18/02-02/23/02	Property Cost Control	Boeck, D.	Senior Analyst	AAA/Milwaukee Office	20.00	130.00	2,600.00
02/18/02-02/23/02	Financial Analysis	Ferguson, A.	Managing Principal	AAA/Atlanta Office	12.00	130.00	1,560.00
02/04/02-02/09/02	Property Cost Control	Luling, D.	Senior Analyst	AAA/Milwaukee Office	12.00	130.00	1,560.00
02/11/02-02/16/02	Property Cost Control	Luling, D.	Senior Analyst	AAA/Milwaukee Office	8.00	130.00	1,040.00
02/18/02-02/23/02	Property Cost Control	Luling, D.	Senior Analyst	AAA/Milwaukee Office	8.00	130.00	1,040.00
02/11/02-02/23/02	Property Cost Control	Luling, M.	Managing Principal	AAA/Milwaukee Office	8.00	130.00	1,040.00
01/28/02-02/02/02	Current Cost Development	Peterson, K.	Sr. Valuation Consultant	AAA/Milwaukee Office	44.00	130.00	5,720.00
02/04/02-02/09/02	Current Cost Development	Peterson, K.	Sr. Valuation Consultant	AAA/Milwaukee Office	12.00	130.00	1,560.00
02/11/02-02/16/02	Current Cost Development	Peterson, K.	Sr. Valuation Consultant	AAA/Milwaukee Office	12.00	130.00	1,560.00
01/28/02-02/02/02	Inventory - M&E	Ratkovich, G.	Engagement Director	AAA/Milwaukee Office	4.00	130.00	520.00
10/08/01-10/13/01	Property Inspection	Salcedo, D.	Sr. Valuation Consultant	Matamoros	24.00	130.00	3,120.00
02/25/02-02/28/02	Financial Analysis	Winston, R.	Consultant	Home Office	3.00	130.00	390.00
02/04/02-02/09/02	Current Cost Development	Wittig, H.	Engagement Director	AAA/Milwaukee Office	34.00	130.00	4,420.00
02/11/02-02/16/02	Current Cost Development	Wittig, H.	Engagement Director	AAA/Milwaukee Office	16.00	130.00	2,080.00
02/11/02-02/23/02	Current Cost Development	Wittig, H.	Engagement Director	AAA/Milwaukee Office	32.00	130.00	4,160.00
Total					257.00	130.00	\$ 33,410.00

EXHIBIT C

<u>Date</u>	<u>Category</u>	<u>Name</u>	<u>Location</u>	<u>Amount</u>
n/a	Printing	n/a	n/a	\$100.00
n/a	Postage/Shipping	n/a	n/a	\$18.23
2/2/02	Air Fare	Lyon, D.	Campingsaz, St. Genis Laval	\$1,154.45
2/2/02	Courier	n/a	n/a	\$145.88
2/2/02	Hotel	Lyon, D.	Campingsaz, St. Genis Laval	\$286.34
2/2/02	Meals	Lyon, D.	Campingsaz, St. Genis Laval	\$73.55
2/2/02	film	Lyon, D.	Campingsaz, St. Genis Laval	\$14.16
2/2/02	Surface Travel	Lyon, D.	Campingsaz, St. Genis Laval	\$218.64
		Total Expenses		\$2,011.27