

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : **Chapter 11 Case Nos.**
 :
AI REALTY MARKETING OF NEW YORK, : **01-40252 (AJG)**
INC., LASER ACQUISITION CORP., DDG I, :
INC., SUNBEAM AMERICAS HOLDINGS :
LTD., et al., :
 :
Debtors. : **(Jointly Administered)**
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**STATEMENT OF FEES FOR PROFESSIONAL
SERVICES RENDERED AND EXPENSES
INCURRED AS COUNSEL FOR DEBTORS**

This is an Interim and a Final Application.

Name of Applicant: Cozen O'Connor
Role in Case: Ordinary Course Professional:
National Counsel for BRK Brands, Inc., First Alert,
Inc., Sunbeam Health and Safety, Inc. and Sunbeam
Products, Inc. (for smoke detectors, fire
extinguishers and other product liability litigation)
Coleman Company, Inc. and Coleman Powermate,
Inc. (for select product liability claims).
Date of Retention: February 6, 2001

Period for which Interim Compensation
and Reimbursement Is Sought August 1, 2002 – December 18, 2002
Fees Requested for Compensation Period \$ 477,743.50
Expenses Requested for Compensation
Period: \$ 54,895.53

Period For Which Final Fees
and Expenses is Sought February 6, 2001 – December 18, 2002
Fees Requested: \$1,188,872.00
Expenses Requested: \$ 147,150.14

Summary of Interim Fee Applications

Date Filed	Period Covered	Fees Requested	Expenses Requested	Fees Approved	Expenses Approved
July 5, 2001	February 6, 2001 through May 31, 2001	\$125, 199.50	\$10,852.33	\$118, 939.52	\$10,852.33
May 2, 2002	October 1, 2001 through February 28, 2002	\$158, 180.50	\$19,674.48	\$150,271.48	\$19,674.48
September 27, 2002	March 1, 2002 through July 31, 2002	\$427, 748.50	\$61,727.80	\$406,361.08	\$61,727.80
February 7, 2003	August 1, 2002 through December 18, 2002	\$477,743.50	\$54,895.53		

Summary of Professional Services Rendered during Compensation Period

<u>Names of Professionals – Paraprofessionals</u>	<u>Year Admitted to Practice</u>	<u>Hours Billed</u>	<u>Hourly Rate</u>	<u>Total for Application</u>
<u>Members</u>				
Cotton, Huey	1982	1.50	205	\$307.50
Eggleston, Tracy	1982	1.50	220	\$330.00
Hayes, Robert	1980	8.60	260	\$2,236.00
Heller, James	1985	241.40	230	\$55,522.00
Henry, Terry	1996	412.10	175	\$72,117.50
Joseph, Arnold	1987	36.30	225	\$8,167.50
Lang, Kenneth	1977	759.40	225	\$170,865.00
Ledo, Michelle	1997	20.90	190	\$3,971.00
Sweeney, Martin	1986	2.50	225	\$562.50
Zuckerman, Benjamin	1966	4.20	260	\$1,092.00
<i>Total for Members</i>		1,488.40		\$315,171.00
<u>Associates</u>				
Char, Christine	1999	3.00	170	\$510.00
Decker, Amy	1998	466.20	150	\$69,930.00
Godina, Sandra	1997	146.30	195	\$28,528.50
Robbins, Rachel	2000	68.80	155	\$10,664.00
<i>Total for Associates</i>		684.30		\$109,632.50
<u>Paraprofessionals</u>				
Burke, Steven		2.00	80	\$160.00
Doyal, Elizabeth		2.60	115	\$299.00
Fortner, Karen		489.60	85	\$41,616.00
Kunkle, Tate		137.40	70	\$9,618.00
McQuillen, Christa		3.30	100	\$330.00
Poretta, Jill		.30	60	\$18.00
Pursell, Margaret		5.70	90	\$513.00
Rizzo, Joseph		3.90	140	\$546.00
<i>Total for Paraprofessionals</i>		642.80		\$52,940.00
Total For Application		2,815.50		\$477,743.50

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LTD., et al., :
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Debtors. : **(Jointly Administered)**
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**FOURTH AND FINAL APPLICATION OF COZEN O’CONNOR, NATIONAL
COUNSEL FOR BRK BRANDS, INC., FIRST ALERT, INC., SUNBEAM PRODUCTS,
INC., SUNBEAM HEALTH AND SAFETY, INC., COLEMAN POWERMATE, INC.,
AND COLEMAN COMPANY, INC. FOR ALLOWANCE OF COMPENSATION AND
FOR REIMBURSEMENT OF EXPENSES**

To the Honorable Arthur J. Gonzalez
U.S. Bankruptcy Judge:

Cozen O’Connor, National Counsel for BRK Brands, Inc., First Alert, Inc., Sunbeam Products, Inc. and Sunbeam Health and Safety, Inc. (for smoke detectors, fire extinguishers and other product liability litigation) and Coleman Powermate, Inc. and Coleman Company, Inc. (for select product liability claims) (the “Debtors”) hereby submits its Fourth and Final Application for Allowance of Compensation and Reimbursement of Expenses (the “Final 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”).

Summary of Final Application

1. Cozen O’Connor seeks allowance of interim compensation for professional services rendered to BRK Brands, Inc., First Alert, Inc., Sunbeam Products, Inc., Sunbeam Health and Safety, Inc., Coleman Powermate Inc. and Coleman Company, Inc. during the period August 1, 2002 through December 18, 2002 (the “Compensation Period”) in the

amount of \$477,743.50 and for reimbursement of expenses incurred in connection with such services in the amount of \$54,895.53. Cozen O'Connor also seeks final approval of all fees and expenses incurred from February 6, 2001 through December 18, 2002 in the amount of \$1,336,022.14. In support of the Final Application, Cozen O'Connor represents as follows:

General Nature of Activities

2. During the Compensation Period, Cozen O'Connor performed legal services for First Alert, Inc., BRK Brands, Inc., Sunbeam Products, Inc., Sunbeam Health and Safety, Inc., Coleman Powermate, Inc. and Coleman Company, Inc., including the defense of litigation matters not stayed by the Chapter 11 cases; preparing for and participating in numerous conferences with local counsel, retained experts, opposing counsel and courts; participating in Case Management Conferences on matters not stayed by the Chapter 11 cases; preparing for, taking and defending expert and fact witness depositions; investigating new claims; preparing dispositive motions in matters not stayed by the Chapter 11 cases; preparing for trials not stayed by the Chapter 11 cases; participating in inspections of incidents involving debtors' products; providing litigation-related advice regarding Debtors' new products and related marketing literature; and preparing for and attending meetings with Debtors and third parties regarding product performance and potential litigation.

The Fees and Expenses Requested are Reasonable and Proper

3. Pursuant to this Honorable Court's order of February 6, 2001, for months where fees and expenses for services rendered by Cozen O'Connor exceeded \$25,000.00, Cozen O'Connor submitted monthly fee statements (each a "Fee Statement" and, collectively the "Fee Statements") to Debtors, counsel for Debtors, the United States Trustee and counsel to the pre-petition and post-petition senior lenders in accordance with the Administrative Order as defined

in paragraph 5 below. Attached hereto as Exhibit “A” are summaries of the fees and expenses incurred per litigation matter, per month during the Compensation Period.

4. Pursuant to the Fee Statements and the Administrative Order, Cozen O’Connor has received an aggregate of \$331,498.00 in fees, constituting 69 percent of Cozen O’Connor’s total fees during the Compensation Period for which allowance is sought, plus \$39,197.00 in expenses, constituting 71 percent of the expenses incurred during the Compensation Period in respect of services rendered during these Chapter 11 cases.

5. This Final Application has been prepared in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in the 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 collectively with the Local Guidelines, the “Guidelines”), and this Court’s Administrative Order pursuant to §§ 327 and 328 of the Bankruptcy Code authorizing employment of professionals utilized in the ordinary course of business dated February 6, 2001 (the “Administrative Order”). Pursuant to the Local Guidelines, a Certification regarding compliance with same is attached hereto as Exhibit “B.”

6. During the Compensation Period, Cozen O’Connor attorneys and paraprofessionals expended a total of 2,815.5 hours for which compensation is requested. A schedule setting forth the number of hours expended by each of the partners, associates and paraprofessionals of Cozen O’Connor who rendered services to Debtors, their respective hourly rates, and the year of bar admission for each Cozen O’Connor attorney is attached hereto as Exhibit “C.” A schedule specifying the categories of expenses for which Cozen O’Connor is

seeking reimbursement and the total amount for each such expense category is attached hereto as Exhibit "D."

7. All of the services provided by attorneys and paraprofessionals of Cozen O'Connor during the Compensation Period and all of the expenses incurred during the Compensation Period relevant to this Final Application, were incurred while Cozen O'Connor was performing Litigation services as that term is defined in the U.S. Trustees' Program, Exhibit A - Project Categories, Guideline for Reviewing Applications for Compensation & Reimbursement of Expenses filed under 11 U.S.C. § 330.

8. Cozen O'Connor maintains computerized records of the time devoted by all Cozen O'Connor attorneys and paraprofessionals to represent Debtors during the pendency of Debtors' Chapter 11 cases. Subject to redaction for the attorney-client privilege where necessary to protect Debtors' Estates, for months where fees and expenses incurred by Cozen O'Connor exceeded \$25,000.00, copies of these computerized records were furnished to the United States Trustee for the Southern District of New York, and Counsel to the pre-petition and post-petition senior lenders in the format specified by the UST Guidelines. Summaries of the monthly fees and expenses are attached hereto as Exhibit "A."

Background

9. On February 6, 2001 (the "Petition Date"), a voluntary Chapter 11 Bankruptcy Petition was filed by, among other of Sunbeam Corporation's domestic operating subsidiaries, BRK Brands, Inc., First Alert, Inc., Sunbeam Products, Inc., Sunbeam Health and Safety, Inc., Coleman Powermate, Inc. and Coleman Company, Inc. in the United States Bankruptcy Court for the Southern District of New York.

10. During the Compensation Period, Debtors operated their businesses and managed their properties as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No request was been made for the appointment of a Trustee or an Examiner.

11. On July 5, 2001, Cozen O'Connor filed its First Interim Application for Allowance of Compensation and Reimbursement of Expenses requesting \$125,199.50 in fees and \$10,852.33 in reimbursable expenses. An Order was entered on August 30, 2001 approving \$118,939.52 in fees and \$10,852.33 in expenses.

12. On May 2, 2002, Cozen O'Connor filed its Second Interim Application for Allowance of Compensation and Reimbursement of Expenses requesting \$158,180.50 in fees and \$19,674.48 in reimbursable expenses. An Order was entered on June 18, 2002 approving \$150,271.48 in fees and \$19,674.48 in expenses.

13. On September 27, 2002, Cozen O'Connor filed its Third Interim Application for Allowance of Compensation and Reimbursement of Expenses requesting \$427,748.50 in fees and \$61,727.80 in reimbursable expenses. An Order was entered on October 30, 2001 approving \$406,748.50 in fees and \$61,727.80 in expenses.

14. On November 27, 2002, this Honorable Court entered an Order confirming the Third Amended Plan of Reorganization under Chapter 11 of the Bankruptcy Code, as proposed by Debtors. The effective date of Debtors' Third Amended Plan of Reorganization occurred on December 18, 2002.

Jurisdiction and Venue

15. The Court has jurisdiction to consider the Final Application pursuant to 28 U.S.C. §§ 157 and 1334, and the standing order of referral of cases to Bankruptcy Court Judges of the District Court for the Southern District of New York dated July 10, 1984 (Ward, acting

C.J.). Consideration of the Final Application is a core proceeding pursuant to 28 U.S.C. §§ 1408 and 1409.

Services Rendered by Cozen O'Connor

16. During the Compensation Period, Cozen O'Connor undertook an investigation into several possible claims against Debtors arising out of fires or other accidents or incidents involving personal injury and/or property damage. Cozen O'Connor became aware of these potential claims by receipt of notice from the claimants or their representatives directly or through Debtors. To determine any potential liability exposure to Debtors, Cozen O'Connor investigated the circumstances of each incident, identified the product at issue and took additional actions required to protect the interests of Debtors. In those matters where claimants instituted formal legal proceedings, Cozen O'Connor also took up the defense of claims being asserted against Debtors, responded to pleadings or took such other action required by the applicable Rules of Civil Procedure, local rule or court order.

17. In certain matters already in litigation or as to which the bankruptcy stay was lifted, Cozen O'Connor continued its efforts to defend Debtors to ensure that Debtors' rights were protected during the Chapter 11 cases and that Debtors would not forfeit any rights after the Chapter 11 cases were resolved. Some of the specific activities in those cases in which Cozen O'Connor has performed significant work, included the following:

(a) In Morales v. First Alert, pending in the U.S. District Court for the Northern District of Texas in Amarillo, Cozen O'Connor took fact witness depositions and defended the deposition of one of Debtors' employees. In addition, Cozen O'Connor prepared for and took the deposition of many of plaintiffs' expert witnesses. On two occasions during the Compensation Period, Cozen O'Connor opposed plaintiffs' attempts to expand the number of plaintiffs' experts and the scope of anticipated testimony of their expert witnesses. As this case

is nearing trial, Cozen O'Connor also began preparing its motion to preclude plaintiffs' experts and its Motion for Summary Judgment.

(b) In Garcia, et al. v. BRK Brands, Inc., pending in the U.S. District Court for the Southern District of Texas, Brownsville Division, Cozen O'Connor attended a pre-trial conference to schedule dispositive motions and trial. Cozen O'Connor also prepared and filed an extensive Motion for Summary Judgment seeking to dismiss all of plaintiffs' claims. Cozen O'Connor also reviewed and analyzed plaintiffs' opposition and prepared and filed reply papers.

(c) In Hammer v. Coleman, pending in Maricopa County, Arizona Superior Court, Cozen O'Connor took fact witness depositions and conducted other formal discovery. Cozen O'Connor also prepared Debtors' expert witnesses for deposition and pursued vigorous motion practice to frame the issues in the case. Cozen O'Connor actively participated in mediation and successfully resolved all issues with plaintiffs.

(d) In Anderson/Oliver v. Coleman Co., pending in Millard County, Utah District Court, Cozen O'Connor prepared, filed and responded to numerous pre-trial motions. Cozen O'Connor prepared and defended current and former Coleman employees at deposition. Additionally, Cozen O'Connor worked with Debtors' experts to prepare for their upcoming depositions.

(e) In Ellis v. Coleman, pending in the United States District Court for the District of Alaska, Cozen O'Connor prepared to retry the case. Cozen O'Connor also prepared for and participated in an unsuccessful mediation. Cozen O'Connor traveled to Alaska to conduct final negotiations with plaintiff's counsel and successfully resolved all issues with plaintiff.

(f) In King v. Coleman Powermate, pending in Jefferson County, Mississippi Circuit Court, Cozen O'Connor conducted several meetings with Debtors' experts and also with co-defendant's counsel to coordinate trial issues. Extensive discovery was completed and trial materials prepared. Cozen O'Connor also negotiated and prepared the final pre-trial order for the trial, which is scheduled for February, 2003.

(g) In Semprit v. Coleman, pending in the U.S. District Court for the District of Puerto Rico, Cozen O'Connor met with Debtors' experts to determine the cause and origin of the fire. Cozen O'Connor also worked with Debtors' experts to develop a plan of action for testing the theory for the cause and origin of the fire that included building two exemplar generators, determining the type of destructive tests to perform on the subject generator and developing the protocol for the destructive tests. Cozen O'Connor also identified fact witnesses important to determining the cause and origin of the fire and selected which would be deposed and which would be interviewed. Cozen O'Connor participated in the destruction testing of the subject generator. Finally, after participating in the destructive testing of the subject generator, Cozen O'Connor met with debtors' experts and representatives to modify the testing protocol to be used with the exemplar generators.

Requested Compensation Should be Allowed

18. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates substantive standards of § 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 by the debtor under § 1103 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 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 services 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. Cozen O'Connor respectfully submits that the services for which it seeks compensation in this Final Application were necessary for and beneficial to Debtors at the time at which such services were rendered. These services were performed without duplication of effort or expense incurred by professionals and paraprofessionals employed by Cozen O'Connor. Cozen O'Connor's request for compensation for the foregoing services is reflective of a reasonable and appropriate amount of time expended in performing such services commensurate with the complexity, importance and nature of the problem, issue or task involved.

20. The particular circumstances of the litigation involving Debtors required Cozen O'Connor to engage in extensive investigations, communications, drafting of court papers and negotiations. Because of the complexity, sensitivity and importance of these matters, these matters often required the services of Cozen O'Connor's most experienced attorneys. Nonetheless, whenever possible, Cozen O'Connor sought to minimize the cost of its services to

Debtors by using talented junior attorneys and paraprofessionals to handle more routine aspects of these cases.

21. In sum, the services rendered by Cozen O'Connor were necessary and beneficial to Debtors 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.

Statements of Cozen O'Connor

22. As set forth in the Certification of James H. Heller attached hereto as Exhibit "B," the compensation requested by Cozen O'Connor is based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code.

23. No agreement or understanding exists between Cozen O'Connor and any other person for sharing of compensation received or to be received for services rendered in or connection with these Chapter 11 cases, nor shall Cozen O'Connor share or agree to share the compensation paid or allowed from Debtors' Estates for such services with any other persons. The foregoing constitutes the statement of Cozen O'Connor pursuant to § 504 of the Bankruptcy Code and Bankruptcy Rule 2016(a).

24. No agreement or understanding prohibited by 18 U.S.C. § 155 has been or will be made by Cozen O'Connor.

25. A copy of this Final Application has previously been provided to Marc Clements, Esquire, Senior Director, Products Litigation and Compliance of the Debtors. He has reviewed this Final Application and approved it.

Waiver of Memorandum of Law

26. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented by this Final Application, Cozen O'Connor respectfully requests that the Court waive the requirement that Cozen O'Connor file a Memorandum of Law in support of this Final Application.

Notice

27. Pursuant to the Administrative Order, copies of this Final Application have been given to Debtors, counsel for Debtors, the United States Trustee and counsel to the pre-petition and post-petition senior lenders.

WHEREFORE, Cozen O'Connor respectfully requests (i) an allowance of compensation for professional services rendered as attorneys for BRK Brands, Inc., First Alert, Inc., Sunbeam Products, Inc., Sunbeam Health and Safety, Inc. Coleman Powermate, Inc. and Coleman Company, Inc. in the amount of \$477,743.50 in fees for the period of August 1, 2002 to December 18, 2002 of which \$331,498.00 has already been paid by Debtors; (ii) reimbursement of actual and necessary expenses incurred by Cozen O'Connor in the amount of \$54,895.53 of which \$39,197.00 has already been paid by Debtors; (iii) final approval of all fees and expenses incurred from February 6, 2001 through December 18, 2002 in the amount of \$1,336,022.40; and (iv) such other and further relief as is just and appropriate.

COZEN O'CONNOR

BY: /s/ James H. Heller
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Robert W. Hayes, Esquire
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Products Inc., and Coleman Company, Inc.