

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____))
In re:))
)) Case No. 01-40291 (AJG)
SUNBEAM CORPORATION,))
)) Chapter 11
))
Debtor.))
_____)

**DECLARATION AND STATEMENT OF HENRY S. MILLER IN SUPPORT OF
DEBTOR’S SUPPLEMENTAL APPLICATION FOR ORDER AUTHORIZING
(I) ASSIGNMENT OF ENGAGEMENT LETTER BETWEEN DEBTOR AND
DRESDNER KLEINWORT WASSERSTEIN, INC. TO MILLER BUCKFIRE LEWIS &
CO., LLC, (II) AMENDMENT OF ASSIGNED ENGAGEMENT LETTER,
(III) RETENTION OF MILLER BUCKFIRE LEWIS & CO., LLC AS FINANCIAL
ADVISOR AND INVESTMENT BANKER TO DEBTOR, AND
(IV) CONTINUED RETENTION OF DRESDNER KLEINWORT WASSERSTEIN, INC.
AS INVESTMENT BANKER TO DEBTOR**

Henry S. Miller, under penalty of perjury, hereby declares as follows:

1. I am the Chairman and a Managing Director of Miller Buckfire Lewis & Co., LLC (“MBL”), a financial advisory firm with its principal offices located at 1301 Avenue of the Americas, New York, New York 10019. I make this declaration (this “Declaration”) on behalf of MBL and in support of the supplemental application (the “Application”) of Sunbeam Corporation, as debtor and debtor-in-possession (the “Debtor”), for an order pursuant to Sections 105, 327(a) and 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”) and Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) authorizing (i) the assignment of the engagement letter dated December 6, 2000 (as amended on February 20, 2001) between the Debtor and Dresdner Kleinwort Wasserstein, Inc. (“DrKW”) (the “Engagement Letter,” attached as Exhibit A to the Debtor’s application for an order authorizing the retention of DrKW as financial advisor and investment banker filed on February 6, 2001 (together with the documents filed in support

thereof, the “Original Application”), to Miller Buckfire Lewis & Co., LLC (“MBL”) pursuant to the assignment and assumption agreement dated as of July 16, 2002 among DrKW, MBL and the Debtor (the “Assignment Agreement,” attached to the Application as Exhibit A), (ii) the amendment of the Engagement Letter as assigned pursuant to the amendment to the Engagement Letter dated August 14, 2002 between MBL and the Debtor (the “Amendment,” attached to the Application as Exhibit B), (iii) the retention of MBL as financial advisor and investment banker to the Debtor, and (iv) the continued retention of DrKW as investment banker to the Debtor, in each case under the terms described in the Application. Except as otherwise noted, I have personal knowledge of the matters set forth herein.

2. MBL is an independent firm providing strategic and financial advisory services in large-scale corporate restructuring transactions. MBL is owned and controlled by myself, Kenneth A. Buckfire and Martin F. Lewis and by the employees of MBL. MBL has approximately 40 employees, including myself and Messrs. Buckfire and Lewis, substantially all of whom were formerly employees of the Financial Restructuring Group of DrKW.

3. MBL is a Delaware limited liability company with a single member, MBL Advisory Group, LLC (“MBL Advisory”). MBL Advisory is managed by a board of directors consisting of myself and Messrs. Buckfire and Lewis. The three of us, together with substantially all of the other employees of MBL, own MBL Capital Co., LLC, which has a controlling interest in MBL Advisory. DrKW has a non-voting minority profit interest in MBL Advisory, but such interest is limited in time and is subject to early redemption upon the occurrence of certain events. DrKW does not participate in or otherwise control or influence the management of MBL or MBL Advisory.

4. In addition, to the extent that MBL will continue to use employees of DrKW to perform MBL’s services under the Engagement Letter as assigned to MBL, DrKW will

not receive any compensation from MBL or the Debtor for providing such employees. However, as provided in the Assignment Agreement, DrKW will be reimbursed by the Debtor for its out-of-pocket costs and expenses incurred in connection therewith.

5. On April 26, 2002, DrKW filed a supplemental declaration in this chapter 11 case to announce the planned formation of MBL and the anticipated assignment of rights and obligations under the Engagement Letter from DrKW to MBL. On July 16, 2002, DrKW and MBL entered into the Assignment Agreement pursuant to which MBL will benefit from all of the rights, and assume and undertake to perform all of the obligations, of DrKW under the Engagement Letter, subject to this Court's approval. The Debtor has consented to the Assignment Agreement.

6. Substantially all of DrKW's financial restructuring group employees working on this chapter 11 case are now employed by MBL and, subject to this Court's approval, will continue to work on this chapter 11 case as employees of MBL. In addition, as provided in the Assignment Agreement and as more fully described in the Application, MBL will, in the absence of a conflict, continue to have access to and to utilize (to the extent appropriate and necessary) the services of DrKW's mergers and acquisitions and other professionals who have been providing services in this chapter 11 case. Thus, MBL is able to provide the same services to the Debtor as have been provided by DrKW, with the same professionals as have been working with the Debtor as employees of DrKW.

7. To the best of my knowledge, information and belief, neither I, nor MBL, nor any member or employee thereof, has any connection with the Debtor, its creditors or any other party in interest or their respective attorneys or accountants, or represents or holds an interest adverse to the Debtor's estate. Accordingly, I believe that MBL is a "disinterested person" within the meaning of Section 101(14) of the Bankruptcy Code as modified by Section

1107(b) of the Bankruptcy Code. Any connections that any member or employee of MBL may have or may have had with the Debtor, its creditors or any other party in interest or their respective attorneys or accountants have already been disclosed in the Original Application. If MBL discovers any additional information that requires disclosure, MBL will promptly file a supplemental declaration with this Court.

8. The Assignment Agreement provides that, subject to this Court's approval, MBL will assume and undertake to perform all of the obligations of DrKW under the Engagement Letter (including rendering all of the services described in the Engagement Letter and the Original Application) and that MBL will benefit from all of the rights of DrKW under the Engagement Letter (including the compensation and expense reimbursement arrangements and the indemnification and exculpation rights, all as described in the Engagement Letter and the Original Application).

9. In addition, subject to this Court's approval, MBL will be entitled to receive a valuation update fee under the terms and conditions specified in the Amendment.

10. MBL intends to apply to this Court for payment of compensation and expenses in accordance with the terms and conditions of the Engagement Letter, the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the local rules of this Court and pursuant to any additional procedures that have or may be established in this chapter 11 case.

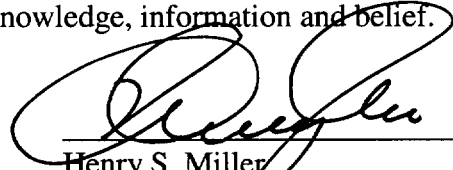
11. MBL and DrKW have entered into an investment banking services agreement pursuant to which DrKW has agreed to continue to provide certain investment banking services that DrKW has been providing to the Debtor to date. As provided in the Assignment Agreement, MBL will, in the absence of a conflict, continue to have access to and to utilize (to the extent appropriate and necessary) the services of DrKW's mergers and acquisitions and other professionals who have been providing services in this chapter 11 case.

12. Except for the reimbursement of DrKW's expenses as provided in the Engagement Letter as assigned, DrKW will receive no compensation from MBL or the Debtor for providing such services. However, as a condition to continuing to provide services in this chapter 11 case, DrKW has requested that the Debtor agree that DrKW and its directors, officers and employees will continue to have the same indemnification rights as will be provided to MBL and its directors, officers and employees under the Engagement Letter as assigned to MBL, and to be included in the exculpation clause contained in the Engagement Letter as assigned to MBL to the same extent as MBL and its directors, officers and employees will be included therein.

13. Subject to this Court's approval, the Debtor has agreed to the continued use by MBL of DrKW's investment banking services under the terms described in the Application, this Declaration and the declaration of Alexander D. Greene dated August 14, 2002 filed in support of the Application, and to grant to DrKW such indemnification, exculpation, reimbursement and other rights that are set forth in the Assignment Agreement.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: August ¹⁴~~13~~, 2002



Henry S. Miller
Chairman and Managing Director
Miller Buckfire Lewis & Co., LLC