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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11 Case No.
SUNBEAM CORPORATION, :
Debtor. : 01-40291 (AJG)
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NOTICE OF PRESENTMENT OF ORDER AUTHORIZING (I) ASSIGNMENT OF ENGAGEMENT LETTER BETWEEN DEBTORS 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 DEBTORS, AND (IV) CONTINUED RETENTION OF DRESDNER KLEINWORT WASSERSTEIN, INC. AS INVESTMENT BANKER TO THE DEBTOR

PLEASE TAKE NOTICE that the undersigned will present the annexed order authorizing (i) assignment of the 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 the Debtor (the "Proposed Order"), to the Honorable Arthur J. Gonzalez, United States Bankruptcy Judge, for signature on September 10, 2002, at 12:00 noon (the "Presentment Date"), in room 523 of the United States Bankruptcy Court for the Southern

District of New York (the “Bankruptcy Court”), Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004.

PLEASE TAKE FURTHER NOTICE that responses or objections, if any, to the Proposed Order must be in writing, conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and 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.uscourts.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 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 Debtor, (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.), (iii) Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017 (Attn: Peter V. Panteleo, Esq.), counsel to the Debtor’s prepetition and postpetition lenders, and (iv) Kasowitz, Benson, Torres & Friedman LLP, 1633 Broadway, New York, New York 10019 (Attn: David M. Friedman, Esq.), attorneys for the creditors’ committee, so as to be received no later than September 5, 2002 at 5:00 p.m. (New York City Time) (the “Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed and received by the parties set forth above, the Court will notify the moving and objecting parties of the date and time of the hearing and of the moving party's obligation to notify all other parties entitled to receive notice. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

PLEASE TAKE FURTHER NOTICE that, in the event that no objection to the Proposed Order has been properly filed and served by the Objection Deadline, the Bankruptcy Court may enter the Proposed Order without a hearing.

Dated: New York, New York
August 23, 2002

/s/ George A. Davis
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**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**

Sunbeam Corporation, as debtor and debtor-in-possession (the “Debtor”), submits this supplemental application (this “Application”) for an order pursuant to sections 105, 327(a) and 328(a) of title 11 of the United States Code (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 hereto 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 hereto 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 this Application, and represents as follows:

BACKGROUND

1. On February 6, 2001 (the “Commencement Date”), Sunbeam Corporation and substantially all of its direct and indirect domestic operating subsidiaries (the “Subsidiaries”) commenced cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The chapter 11 cases of the Subsidiaries are being administered separately from the chapter 11 case of Sunbeam Corporation. Sunbeam Corporation continues to operate its business and manage its properties as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

RELIEF REQUESTED

3. By this Application, the Debtor respectfully requests that this Court enter an order, substantially in the form attached hereto as Exhibit E, pursuant to sections 105, 327(a) and 328(a) of the Bankruptcy Code and Rules 2014(a) and 2016 of the Bankruptcy Rules authorizing (a) the assignment of the Engagement Letter to MBL pursuant to the Assignment Agreement, (b) the amendment of the Engagement Letter as assigned pursuant to the Amendment, (c) the retention of MBL as financial advisor and investment banker to the Debtor, and (d) the continued retention of DrKW as investment banker to the Debtor, in each case under the terms described in this Application and the Declarations.

4. In support of this Application, the Debtor relies upon the declaration of Henry S. Miller, the Chairman and a Managing Director of MBL, dated August 14, 2002 (the “MBL Declaration,” attached hereto as Exhibit C), and the declaration of Alexander D. Greene, a Managing Director of DrKW, dated August 14, 2002 (the “DrKW Declaration,” attached hereto as Exhibit D, and together with the MBL Declaration, the “Declarations”),

ASSIGNMENT OF ENGAGEMENT LETTER TO MBL

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. Since that time, MBL has been formed, and MBL is now conducting business.

6. MBL is an independent firm providing strategic and financial advisory services in large-scale corporate restructuring transactions. MBL is owned and controlled by Henry S. Miller, Kenneth A. Buckfire and Martin F. Lewis (who are MBL's founders) and by the employees of MBL. MBL has approximately 40 employees, substantially all of whom were formerly employees of the financial restructuring group of DrKW.

7. 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.

8. Certain 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.

9. In addition, as provided in the Assignment Agreement and as more fully described below, 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. The assignment of the Engagement Letter to MBL and the continued use by MBL of DrKW's investment

banking services under the terms described in this Application and the Declarations will not result in any cost to the Debtor's estate in addition to the fees and expenses previously approved by this Court in connection with the retention of DrKW.

10. The Debtor believes that the assignment of the Engagement Letter to MBL pursuant to the Assignment Agreement is in the best interest of the Debtor's estate and parties-in-interest. Accordingly, the Debtor respectfully requests that the Court authorize the assignment of the Engagement Letter to MBL under the terms described in this Application and the Declarations.

AMENDMENT TO ENGAGEMENT LETTER

11. On April 17, 2001, after notice and a hearing the Court entered an order approving the retention of DrKW as investment banker to the Debtor. Pursuant to the terms of the Engagement Letter, DrKW received from the Debtor a valuation services fee in the amount of \$2,000,000, \$1,400,000 of which was paid prior to the Commencement Date upon delivery of a valuation report of the Debtor and certain of its subsidiaries and affiliates, and the remaining \$600,000 of which was paid after the Commencement Date in equal monthly installments during the first six months of the Debtor's chapter 11 case.

12. The Engagement Letter and corresponding \$2,000,000 valuation service fee were based on the premise that the Debtor's chapter 11 case was "prearranged" and would conclude within approximately six months of the Commencement Date. The Debtor's chapter 11 case is currently in its eighteenth month. During this period of time DrKW has continued to provide financial advisory services to the Debtor, periodically updated its valuation work and

participated in several Board Meetings. The extended duration of this chapter 11 case and the amount of required financial advisory services have exceeded both the Debtor's and MBL's expectations.

13. Recognizing the need to further update DrKW's most recent valuation of Sunbeam, MBL and the Debtor entered into an Amendment to the Engagement Letter, dated August 14, 2002, to provide for MBL to perform a current valuation of the Debtor. Pursuant to the terms of the Amendment, MBL will be entitled to receive from the Debtor a valuation update fee of \$300,000 upon delivery of such subsequent valuation update.

14. The Debtor believes that the Amendment is in the best interest of the Debtor, its estate, and parties-in-interest. Prosecution of the Debtor's plan of reorganization requires a current valuation. DrKW/MBL has already performed a valuation and is therefore best suited to provide an updated valuation of Sunbeam. The Debtor respectfully requests that the Court approve the amendment of the Engagement Letter under the terms described in this Application and the MBL Declaration.

RETENTION OF MBL

15. *Disinterestedness.* MBL has informed the Debtor that, to the best of its knowledge and except as set forth in the MBL Declaration, MBL (i) does not have any connection with the Debtor, its creditors or any other party in interest or their respective attorneys or accountants, (ii) 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, and (iii) does not hold or represent an interest adverse to the Debtor's estate.

16. *Qualifications.* As mentioned above, Messrs. Miller, Buckfire and Lewis and substantially all of the other employees of MBL were formerly employees of the financial restructuring group of DrKW and, subject to this Court's approval, certain of the employees who have been working with the Debtor as employees of the financial restructuring group of DrKW will continue to work on this chapter 11 case as employees of MBL. Thus, the expertise, resources and experience of DrKW's financial restructuring group, as described in the Original Application, now resides at MBL and will continue to be available to the Debtor.

17. *Services to be Rendered.* As mentioned above, 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.

18. *Compensation and Indemnification.* As mentioned above, the Assignment Agreement provides that, subject to this Court's approval, 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. 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.

19. The Debtor believes that MBL is qualified to represent the Debtor in this chapter 11 case and that the retention of MBL is in the best interest of the Debtor's estate and parties-in-interest. Accordingly, the Debtor respectfully requests that this Court authorize the retention of MBL under the terms described in this Application and the MBL Declaration.

CONTINUED RETENTION OF DRKW

20. As noted above, 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. 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.

21. 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.

22. 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 this Application and the Declarations, and to grant to DrKW such indemnification, exculpation, reimbursement and other rights as are described above.

23. The investment banking services agreement between DrKW and MBL may be terminated by either party if the Engagement Letter is terminated, or by DrKW if this Court does not approve DrKW's indemnification and exculpation rights referred to above.

24. The Debtor refers to the Original Application and the DrKW Declaration for the qualifications and disinterestedness of DrKW.

25. The Debtor believes that the continued retention of DrKW is in the best interest of the Debtor's estate and parties-in-interest. Accordingly, the Debtor respectfully requests that this Court enter an order authorizing the continued retention of DrKW under the terms described in this Application and the Declarations.

PRIOR REQUEST FOR RELIEF

26. No previous request for the relief sought in this Application has been made to this Court or any other court.

NOTICE

27. No trustee or examiner has been appointed in this chapter 11 case. Notice of this Motion has been provided to: (i) the Office of the United States Trustee for the Southern District of New York; (ii) the attorneys for the Debtor's prepetition and postpetition lenders; (iii) the attorneys for the statutory creditors'

committee; (iv) all parties having filed a notice of appearance in this chapter 11 case pursuant to Bankruptcy Rule 2002. The Debtor submits that no other or further notice need be provided.

28. WHEREFORE, the Debtor respectfully requests that this Court enter an order, substantially in the form attached hereto as Exhibit E, pursuant to sections 105, 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016, (a) authorizing (i) the assignment of the Engagement Letter to MBL pursuant to the Assignment Agreement, (ii) the amendment of the Engagement Letter as assigned pursuant to the Amendment, (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 this Application and the Declarations, and (b) granting such other and further relief as this Court deems just.

Dated: New York, New York
August 23, 2002

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