

David J. O'Connell
Momkus Ozog & McCluskey LLC
Attorneys for Debtors
3051 Oak Grove Drive, Suite 220
Downers Grove, Illinois 60515
(630) 434-0400

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re AI REALTY MARKETING OF NEW YORK,
INC., LASER ACQUISITIONS CORP., DDGI
INC., SUNBEAM AMERICAS HOLDINGS, LTD.,
et.al.

Case Nos.
01-40252 through
01-40290

Debtors.

FIRST APPLICATION OF MOMKUS OZOG & MCCLUSKEY LLC
ATTORNEYS FOR DEBTORS, FOR ALLOWANCE OF INTERIM COMPENSATION FOR
SERVICES RENDERED FROM FEBRUARY 6, 2001 THROUGH MAY 31, 2001
AND FOR REIMBURSABLE EXPENSES

TO THE HONORABLE ARTHUR J. GONZALEZ
UNITED STATES BANKRUPTCY JUDGE

Momkus Ozog & McCluskey LLC, attorneys for the Debtors in the Chapter 11 cases of AI REALTY MARKETING OF NEW YORK, INC., LASER ACQUISITIONS CORP., DDGI INC., SUNBEAM AMERICAS HOLDINGS, LTD., et.al., debtors and debtors in possession, submits this first application, pursuant to sections 330 (a) and 331 of title 11 of the United States Bankruptcy Code and Rule 2016 of the Federal Rules of Bankruptcy Procedure, for the allowance of interim compensation for professional services rendered from February 6, 2001 through May 31, 2001, and for reimbursement of expenses incurred in connection with such services, and, in support thereof, respectfully represents:

1. Momkus Ozog & McCluskey LLC seeks allowance of interim compensation for professional services rendered to the Debtors during the period from February 6, 2001 through May 31, 2001 in the aggregate amount of \$159,377.50, and for reimbursement of expenses incurred in connection with the rendition of such services in the aggregate amount of \$9,343.06.

2. Momkus Ozog & McCluskey LLC is the national product liability counsel for the Debtors and has been required to continue to defend and monitor product liability litigation in over 60 open and pending lawsuits. Momkus Ozog & McCluskey LLC has further been engaged by the Debtors to assume responsibility for its Risk Management Department in handling open and pending claims involving various product manufactured and sold by the Debtors. These activities include defending lawsuits involving vendors of product manufactured by the Debtors, lawsuits in which the stay has been lifted, notification of courts of the bankruptcy proceedings, and day to day management of claims and other general product liability matters within the company. Services also included bankruptcy matters for the First Alert, Inc. operating subsidiary.

3. For these reasons, Momkus Ozog & McCluskey LLC respectfully submits that the services performed on behalf of the Debtors were reasonable and necessary for the continued operation of these companies at the time the services were rendered.

4. Momkus Ozog & McCluskey LLC has previously submitted monthly fee statements to the Debtors, counsel for the Debtors, the United States Trustee and counsel for the post and pre-petition lenders in accordance with the Administrative Order. Pursuant to the Fee Statements and the Administrative Order, to date Momkus Ozog & McCluskey LLC has received an aggregate of \$81,263.12 in fees, plus \$277.79 in expenses in respect of services rendered during these chapter 11 cases. On June 19, 2001 Momkus Ozog & McCluskey LLC submitted a Fee Statement for the period of May 1 through 31, 2001. Pursuant to the Administrative Order, unless an objection is served, the Debtors will pay 80% of the fees for services performed and 100% of the disbursements to Momkus Ozog & McCluskey LLC.

5. 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 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 and this Court's Administrative Order dated February 27, 2001 establishing procedures for Interim Compensation and Reimbursement of Expenses of Professionals. Pursuant to local guidelines, a certification regarding compliance with same is attached hereto as Exhibit A.

6. By this application, Momkus Ozog & McCluskey LLC seeks the Court's confirmation of all prior amounts paid to Momkus Ozog & McCluskey LLC pursuant to the Administrative Order, as well as the allowance of the remainder of the fees and disbursements requested.

7. During the compensation period, Momkus Ozog & McCluskey LLC's attorneys and paraprofessionals expended a total of 984.4 hours for which compensation is requested. A schedule setting for the number of hours expended by each of the partners, associates, and paraprofessionals of Momkus Ozog & McCluskey LLC who rendered services to the Debtors, their respective hourly rates, and the year of bar admission for each Momkus Ozog & McCluskey LLC attorney is attached hereto as Exhibit B. A schedule specifying the categories of expenses for which Momkus Ozog & McCluskey LLC is seeking reimbursement and the total amount for each such expense category is attached hereto as Exhibit C. Pursuant to Section II.D. of the U.S.T. Guidelines, a schedule setting forth a description of the project categories utilized in this case, the number of hours expended by the partners, associates, and paraprofessionals of Momkus Ozog & McCluskey LLC by project category, and the aggregate fees associated with each project category is attached hereto as Exhibit D.

8. Momkus Ozog & McCluskey LLC maintains computerized records of the time spent by all attorneys and paraprofessionals in connection with its representations of the Debtors. Subject to redaction for the attorney client privilege where necessary to protect the Debtor, copies of these computerized records were previously furnished to the Court in the format specified by the UST Guidelines.

9. While it believes that all applicable time and disbursement charges have been included herein, 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, Momkus Ozog & McCluskey LLC reserves the right to request additional compensation for such services and reimbursement of such expenses in a future application.

10. On February 6, 2001 a voluntary chapter 11 bankruptcy petition was filed by the Debtors. The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or an examiner.

11. The Court has jurisdiction to consider the 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. Consideration of the Application is a core proceeding pursuant to 28 U.S.C 157(b). Venue is proper before this Court pursuant to 28 U.S.C. 1408 and 1409.

12. 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 "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 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 comparable skilled practitioners in cases other than cases under this title.

11 U.S.C. 330(a)(3).

13. In the instant case, Momkus Ozog & McCluskey LLC respectfully submits that the services for which it seeks compensation in this Application were necessary for and beneficial to the Debtor. These services were performed without duplication of effort or expense incurred by professionals and paraprofessionals employed by Momkus Ozog & McCluskey LLC. Momkus Ozog & McCluskey LLC submits that its 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.

14. As set forth in the certification of David J. O'Connell annexed hereto as Exhibit A, the compensation requested by Momkus Ozog & McCluskey LLC is based on the customary compensation charged by comparably skilled practitioner in cases other than cases under the Bankruptcy Code.

15. Pursuant to the Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented by this Application, Momkus Ozog & McCluskey LLC respectfully requests that the Court waive the requirement that Momkus Ozog & McCluskey LLC file a memorandum of law in support of this Application.

16. Pursuant to the Administrative Order, copies of this Application have been given to the Debtors, the United States Trustee and counsel for the pre-petition and post-petition lenders. Momkus Ozog & McCluskey LLC submits that this is good and sufficient notice and no other or further notice is necessary.

WHEREFORE, Momkus Ozog & McCluskey LLC respectfully requests (i) an interim allowance of compensation for professional services rendered as attorney for the Debtors above the fee cap in the amount of \$59,377.50 for the period of February 6, 2001 through May 31, 2001 pursuant to this Court's Administrative Order of February 27, 2001; (ii) approval of all expenses incurred for the period of February 6, 2001 through May 31, 2001; and (iii) such other and further relief as is just.

Dated: June 27, 2001

/s/ David J. O'Connell
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Momkus Ozog & McCluskey LLC
Attorneys for Debtors
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Case Nos.
01-40252 through
01-40291

Debtors.

CERTIFICATION UNDER GUIDELINES FOR FEES AND
DISBURSEMENTS FOR PROFESSIONALS IN RESPECT OF FIRST
APPLICATION OF MOMKUS OZOG & MCCLUSKEY LLC FOR INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES

I, David J. O'Connell, hereby certify that:

1. I am an attorney at law and the professional designated by the applicant, Momkus Ozog & McCluskey LLC with responsibility for compliance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New Your Bankruptcy Cases by the Court on April 19, 1995 and 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.

2. This certification is made in respect to Momkus Ozog & McCluskey LLC's first application dated June 27, 2001 for interim compensation and reimbursement of expenses for the period commencing February 6, 2001 through May 31, 2001 in accordance with the Local Guidelines.

3. In respect to 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 Momkus Ozog & McCluskey LLC and generally accepted by Momkus Ozog & McCluskey LLC's clients; and
- (d) in providing a reimbursable service, Momkus Ozog & McCluskey LLC does not make a profit on that service, whether the service is performed by Momkus Ozog & McCluskey LLC in-house or through a third party.

4. In respect of Section B.2 of the Local Guidelines, I certify that:

(a) The debtors, counsel for the debtors, the Office of the United States Trustee, the Court, and counsel for the pre-petition and post-petition lenders have each been provided on a monthly basis with a statement of Momkus Ozog & McCluskey LLC's fees and disbursements accrued during the previous month; and

(b) the statement contained lists of professionals and paraprofessionals providing services, their respective billing rates, the aggregate hours spent by each professional, a general description of the services rendered, a reasonably detailed breakdown of the disbursements incurred, and an explanation of the billing practices.

5. In respect of Section B.3 of the Local Guidelines, I certify that the debtors, counsel for the debtors, the United States Trustee, and counsel for the pre-petition and post-petition lenders are each being provided with a copy of the Application in accordance with the Court's Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals.

Dated: June 27, 2001

/s/ David J. O'Connell
David J. O'Connell
Momkus Ozog & McCluskey LLC

EXHIBIT B
Momkus Ozog & McCluskey LLC
Rate & Time Schedule For All Matter
February 6, 2001 through May 31, 2001

Timekeeper	Yr. Admitted	Position	Hourly Rate	Total Hours	Total Amount
Partners					
Edward Momkus	1977	Atty	\$200	23.4	\$ 4,680.00
James Ozog	1977	Atty	\$125-200	250.8	\$50,077.50
David O'Connell	1988	Atty	\$125-200	255	\$49,937.50
James Marsh	1988	Atty	\$200	48.7	\$ 9,740.00
John J. McCluskey	1967	Atty	\$125-200	34.1	\$ 6,302.50
Associates					
Neil Golterman	1981	Atty	\$160	50.6	\$ 8,096.00
Michael Bardell	1997	Atty	\$160	40.2	\$ 6,432.00
Kimberly Davis	1997	Atty	\$160	3.9	\$ 624.00
Heather Genck	1997	Atty	\$160	4.5	\$ 720.00
David Sigale	1996	Atty	\$160	9.6	\$ 1,536.00
Tim Grandchamp	1992	Atty	\$160	1.8	\$ 288.00
Paralegals					
Beth Szerlong		Paralegal	\$80	0.4	\$ 32.00
Alison Lezak		Paralegal	\$80	4.3	\$ 344.00
Jina Park		Paralegal	\$80	30.5	\$ 2,440.00
Janine Rauch		Paralegal	\$80	0.5	\$ 40.00
Michelle Wessel		Paralegal	\$80	0.3	\$ 24.00
Terri Bagwell		Paralegal	\$80	142.2	\$11,376.00
Beth Morgan		Paralegal	\$80	83.6	\$ 6,688.00
Totals				991.9	\$159,377.50

EXHIBIT C
Momkus Ozog & McCluskey LLC
Disbursement Schedule for February 6, 2001 through May 31, 2001

Disbursement	Amount
Long Distance Telephone Expense	\$ 25.75
Overnight Courier Expense	\$1,381.68
Document Reproduction	\$ 256.19
Domestic Travel	\$7,728.89
Local Travel	\$ 206.74
Total	\$9,343.06

