

Randall Lambert
 CHANIN CAPITAL PARTNERS
 330 Madison Avenue, 11th Floor
 New York, New York 10017
 (212) 758-2629
 Financial Advisors to the Official Committee
 Of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK

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 In re :
 :
 SUNBEAM CORPORATION, : Chapter 11
 : Case No. 01-40291 (AJG)
 Debtor. :
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**SUMMARY COVER SHEET FOR FINAL APPLICATION OF
 CHANIN CAPITAL PARTNERS, FINANCIAL ADVISOR
 FOR THE STATUTORY COMMITTEE OF UNSECURED CREDITORS,
 FOR ALLOWANCE OF COMPENSATION FOR SERVICES
 RENDERED AND FOR REIMBURSEMENT OF EXPENSES
FROM FEBRUARY 23, 2001 THROUGH NOVEMBER 27, 2002**

Name of Applicant: Chanin Capital Partners
Role in Case: Financial Advisor to the Statutory Committee
 of Unsecured Creditors

Fees Previously Awarded: \$310,000.00

Expenses Previously Requested: \$44,084.96

Expenses Previously Awarded: \$30,445.49

Retainer Paid: None

Current Application

Fees Requested: \$381,479.42

Expenses Requested: \$ 18,520.58

Fees and Expenses Requested: \$400,000.00

Professionals	Hours	Total Fees Requested
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Managing Director

Randall L. Lambert 703.0

Managing Director

Eric Scroggins 46.0

Vice President

Brendan O'Leary 1,151.4

Associate

Matthew Yu 1,565.6

Senior Analyst

Luis Pillich 1,450.7

Analyst

David Park 766.9

Analyst

Neil Grosshandler 228.3

Total Hours 5,911.8

<u>TOTAL FEES & EXPENSES</u>	\$	740,445.49
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<u>FEES AND EXPENSES RECEIVED</u>	\$	340,445.49
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<u>BALANCE DUE – FEES & EXPENSES</u>	\$	400,000.00
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**FINAL APPLICATION OF CHANIN CAPITAL PARTNERS,
FINANCIAL ADVISOR FOR THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS, FOR ALLOWANCE OF COMPENSATION
FOR SERVICES RENDERED AND FOR REIMBURSEMENT OF EXPENSES
FROM FEBRUARY 23, 2001 THROUGH NOVEMBER 27, 2002**

TO THE HONORABLE ARTHUR J. GONZALEZ
CHIEF UNITED STATES BANKRUPTCY JUDGE:

Chanin Capital Partners (“CCP”), Financial Advisor for the Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases of Sunbeam Corporation, (the “Debtors”), submits this final 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 allowance of compensation for professional services rendered from February 23, 2001 through November 27, 2002 (the “Compensation Period”), and for reimbursement of expenses incurred in connection with such services, and, in support thereof, respectfully represents:

Summary of Application

1. Chanin seeks (i) final allowance of fees and expenses for the period of February 23, 2001 through November 27, 2002 in the aggregate amount of \$400,000.00 and (ii) payment from the Debtors in the amount of \$400,000.00, which represents the total outstanding amount due. During the Compensation Period, Chanin professionals expended a total of 5,911.8 hours for which compensation is requested. Chanin has received payments of fees totaling \$310,000.00 for the period of February 23, 2001 through April 30, 2001 and reimbursement of expenses in the amount of \$30,445.49 for the period of February 23, 2001 through May 31, 2001 (the “First Interim Period”).

2. Chanin does not maintain, in the normal course of providing financial advisory services to its clients, detailed written time records. However, in this case, Chanin maintained written records of the time expended by Chanin professionals in the rendition of their professional services to the Committee. Such time records were made contemporaneously with the rendition of services by the person rendering such services and in the ordinary course of Chanin’s practice. A summary schedule setting forth the number of hours expended by each of the professionals who rendered services to the Committee during the Compensation Period, is hereby attached as Exhibit “C”. A detailed compilation showing the name of the professional, the date on which the services were performed, a description of the services rendered, and the amount of time spent in performing the services during the March 1, 2002 to November 27, 2002 period is annexed hereto as Exhibit “D” (description of services rendered for prior periods up to February 28, 2002, have been filed in previous fee applications). A summary schedule and also detailed descriptions of the expenses during the March 1, 2002 to November 27, 2002 period for which Chanin is seeking reimbursement and the total amount for each such expense category are

attached hereto as Exhibit “E” (description of expenses for prior periods up to February 28, 2002, have been filed in previous fee applications).

3. In preparing this Application Chanin has complied 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 Court's Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals dated February 27, 2001 (the “Administrative Order”, the Order Confirming Debtor’s Third Amended Plan of Reorganization dated November 27, 2002 (the “Confirmation Order”) and, collectively with the Local Guidelines, and the UST Guidelines, the “Guidelines”). Chanin believes that all applicable time and disbursement charges for the Compensation Period have been included herein.

Jurisdiction and Venue

4. 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 (Ward, Acting C.J.). Consideration of the Application is a core proceeding pursuant to 28 U.S.C. § 157. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

5. Bankruptcy Filing. On February 6, 2001, the Debtor filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code.

6. Creditors' Committee. On February 13, 2001, the United States Trustee for the Southern District of New York (the "US Trustee") appointed the Committee comprised of the following members: Albert Fried & Company, Conseco Capital Management, Elliott International and Associated Entities, HBK Master Fund L.P., KS Capital Partners, Moses Marx, Oaktree Capital Management, St. Paul Fire & Marine/Seaboard Surety, and T. Rowe Price Recovery Fund.

7. Retention of Chanin. Effective February 23, 2001, the Committee selected Chanin as its financial advisor. On April 18, 2001, the Court approved Chanin's retention as financial advisor to the Committee (the "Retention Order" – Exhibit "A") *nunc pro tunc* as of February 23, 2001, to render financial advisory services to the Committee in these chapter 11 cases. Pursuant to Chanin's Retention Order, Chanin was to be compensated for its services in accordance with the terms and conditions contained in the Engagement Letter as annexed in Exhibit "B". Pursuant to the Engagement Letter, Chanin's initial financial advisory fee was \$175,000 per month (the "Monthly Advisory Fee"). Additionally, the Debtor shall reimburse Chanin for all reasonable out-of-pocket expenses incurred in connection with its engagement by the Committee, including but not limited to all reasonable travel expenses, computer and research charges, attorney fees, messenger services and long-distance telephone calls incurred by Chanin in connection with the services to be provided to the Committee. As set forth more fully in the Committee's application to employ Chanin at the outset of these cases, Chanin has extensive experience in representing statutory committees in chapter 11 cases, as part of its prominent financial restructurings and bankruptcy expertise.

8. Throughout the pendency of its engagement, Chanin submitted applications pursuant to the terms of the Administrative Order Establishing Procedures for Interim

Compensation and Reimbursement of Professionals Pursuant to 11 U.S.C. §§ 105(a) and 331 dated February 27, 2001 (the “Administrative Order”). The Administrative Order was amended pursuant to an Order dated August 31, 2001 (“Amended Administrative Order”), pursuant to which Chanin thereafter submitted invoices for its fees and expenses. Chanin has received a total of \$340,445.49 in fees and expenses to date.

9. On November 27, 2002, this Court entered an Order Confirming Debtor’s Third Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, as Amended on November 18, 2002 (the “Plan”), which reflects the settlement reached with the Committee (the “Committee Settlement”).

10. On December 18, 2002, the Plan became effective and the Debtor emerged from bankruptcy.

11. This is Chanin’s final application for allowance of compensation for services rendered and for reimbursement of expenses. Chanin has previously provided monthly fee statements to the notice parties in accordance with the provisions of the Administrative Order through February 28, 2002. Chanin also filed three interim fee applications for the periods February 23, 2001 through May 31, 2001 (“First Interim Application”), June 1, 2001 through September 30, 2001 (“Second Interim Application”) and October 1, 2001 through January 31, 2002 (“Third Interim Application”). On August 31, 2001, this Court entered an order granting Chanin’s First Interim Application, awarding Chanin \$319,554.51 for fees and \$30,445.49 for expenses for a total award of \$350,000, pursuant to a budget cap limiting the Committee’s professionals to \$600,000 for fees and expenses. Subsequent to such payments, the Debtor ceased payments of fees and expenses to Chanin citing the Final Order Authorizing Debtor in Possession to Enter into Postpetition Financing Agreement (the “Final DIP Order”), dated March

1, 2001, which states the Debtor was only authorized to pay the professional fees of the Committee for the 60 day period following the Committee's retention of professionals. As stated on the record of the hearing on approval of the Final DIP Order, the senior secured lenders (the "Lenders") and the Committee agreed to negotiate a budget for Committee professional expenses for the period following the initial 60 day period. Pursuant to the Committee Settlement, on November 25, 2002, the Lenders and the Committee agreed to limit the Committee professional fees to \$1 million over what had already been paid to date, of which Chanin will receive \$400,000.

Advisory Activity

12. The Engagement Letter outlines the specific services to be provided by Chanin. Such services include:

- A. Analyze the Company's operations and business strategy;
- B. Investigate the Company's financial condition, business plans, operating forecasts, and management;
- C. Evaluate the terms, conditions, and consideration, including the value of the securities, if any, that may be issued to the Committee in any potential merger or sale transaction involving the Company;
- D. As requested, assist the Committee in delivering, evaluating, structuring and negotiating the terms and conditions of a plan of reorganization, including the value of the securities, if any, that may be issued to the unsecured creditors under any such plan; and
- E. Provide the Committee with other and financial advisory services with respect to the Company, including valuation, general restructuring and advice and expert testimony with

respect to financial, business and economic issues, as may arise during the course of the bankruptcy as requested by the Committee.

13. The professionals of Chanin who have primarily rendered professional services on behalf of the Committee include: Randall L. Lambert, Eric Scroggins, Brendan O’Leary, Matthew Yu, Luis Pillich, David Park and Neil Grosshandler.

A. Randall L. Lambert is a Managing Director of Chanin. Prior to joining Chanin, Mr. Lambert worked at BDS Securities and Brian M. Freeman Enterprises.

B. Eric Scroggins is a Managing Director of Chanin. Prior to joining Chanin, Mr. Scroggins worked at Houlihan Lokey Howard and Zukin.

C. Brendan O’Leary is a Vice President of Chanin. Prior to joining Chanin, he was employed at BDS Securities LLC, a broker dealer specializing in the securities of distressed companies.

D. Matthew Yu is an Associate of Chanin. Prior to joining Chanin, he was employed at Pacific Alliance Ltd and Donaldson, Lufkin & Jenrette Securities.

E. Luis Pillich was a Senior Analyst of Chanin. Prior to joining Chanin, he was employed at JPMorgan Chase.

F. David Park is an Analyst of Chanin. Mr. Park graduated from the Leonard Stern School of Business at New York University where he received his Bachelor of Science degree in May 2001.

G. Neil Grosshandler was an Analyst at Chanin Capital Partners. Mr. Grosshandler graduated from Fordham University with a Bachelor of Science degree in Finance.

Services Rendered by Chanin During the Compensation Period

14. The following summary of services rendered during the Compensation Period is not intended to be a detailed description of the work performed, as those day-to-day services and the time expended in performing such services are fully set forth in Exhibit “D”. Rather, it is merely an attempt to highlight certain of those areas in which services were rendered to the Committee, as well as to identify some of the problems and issues that Chanin was required to address.

Financial Due Diligence

15. Chanin undertook an extensive financial due diligence process to understand and assess the ongoing operational and financial position of the Debtor. This process included an in-depth review and analysis of significant amounts of historical and projected financial information, revised projections and business plans, Debtor presentations to its bank lenders, SEC filings, Company Operating Reviews, and bankruptcy court filings. Projects included monthly operating and financial analyses of the Company. The due diligence process was ongoing and was conducted via numerous meetings and teleconferences with the Debtor.

Financial Analysis

16. Chanin reviewed and analyzed the changing cash flow forecasts provided by the Debtor vis-à-vis the Debtor’s original and revised projections, and historical performance. In addition, Chanin discussed with the Debtor the factors that led to variance and changes related to the revised projections. Chanin reviewed and analyzed the Debtor’s interim operating reports, which includes a summary of sources and uses of funds, and balance sheet and income statement data. Chanin reviewed and analyzed the Debtor’s original and revised projections and worked with the Debtor to understand the basis for such projections. Chanin also reviewed and analyzed the Debtor’s weekly cash flow projections and statements of liquidity. These analyses were essential to

monitor the performance of the Debtor, its liquidity situation and the adequacy of the availability under the Debtor's post-petition debtor-in-possession ("DIP") financing facilities. Chanin presented its findings to the Committee.

Comparable Company and Industry Analysis

17. Chanin reviewed various SEC filings, brokerage reports, industry reports and news stories related to several companies, which Chanin deemed comparable to the Debtor. Based on the review of these documents, Chanin prepared comparable company and industry analyses. These analyses, which were updated regularly, were critical in understanding the recent developments, trends, and trading and valuation dynamics of the Debtor's industry sectors.

Monthly Operating Reports

18. During the Compensation Period, Chanin prepared monthly operating reports to the Committee based on its review of the Debtor's financial reports, and its regular teleconferences with the Debtor's management. These reports included summaries of operating results, sources and uses of funds, accounts receivable, asset sales, balance sheet, and income statement data.

Mergers and Acquisition Transactions Analysis

19. Chanin performed an extensive analysis of Merger and Acquisition Transactions involving comparable companies. This analysis was necessary to assess the number of transactions which have occurred, the valuation multiples achieved and the control premiums paid in transactions involving similar companies. During the Compensation Period, this analysis was continuously updated for more recent transactions.

Valuation Analysis

20. Chanin updated preliminary ranges of enterprise values for the Debtor based on preliminary valuation analysis using various methodologies including a discounted cash flow (“DCF”) valuation. The analyses were based on the Debtor’s revised projections and in-depth comparable company trading and transactions analyses. Chanin presented its findings to the Committee.

Review of Asset Sales

21. During the Compensation Period, Chanin reviewed the Debtor’s sales process to sell its Pelouze/Medical Scales, Sunbeam Grill, ProClippers and First Alert businesses. Chanin regularly communicated with the Debtor regarding the progress of the sale process in terms of parties contacted, confidentiality agreements signed, materials distributed, due diligence status and responses received from interested parties. Chanin prepared memos and presentations detailing the status of the sales process which was distributed to the Committee.

Review of Business Plan and Revised Projections

22. During the Compensation Period, the Debtor prepared a detailed business plan and revised projections for 2001 to 2003. Chanin reviewed and analyzed the business plan and revised projections and participated in several conference calls with Debtor management to better understand the underlying assumptions and reasons for the subsequent revisions and their potential impact on valuation. Chanin presented its findings to the Committee.

Plan of Reorganization and Disclosure Statement

23. During the Compensation Period, Chanin reviewed various drafts and exhibits of the Debtor’s Plan of Reorganization and Disclosure Statement. Chanin presented its findings to the Committee.

Settlement Discussions

24. During the Compensation Period, Chanin along with Committee Counsel, participated in discussions, both in person, and telephonically, with the Debtor's advisors and Secured Creditors' and their advisors regarding the potential distributions to unsecured creditors under various proposals.

25. Accordingly, Chanin prepared various recovery analyses based on potential distributions under various settlement scenarios. Chanin presented its findings to the Committee.

Fee Application Preparation

26. During the Compensation Period, Chanin compiled time and expense descriptions of the services it provided, and performed other tasks in order to comply with the Administrative Order. Chanin made every effort to minimize the amount of time and fees incurred for these activities.

Creditors' Committee Meetings

27. Chanin participated in several conference calls with the Committee during the Compensation Period. Prior to these calls with the Committee, Chanin prepared detailed analyses and supporting schedules for the Committee during the Compensation Period discussing the status of ongoing financial matters of the Debtor.

28. Through these telephone conferences and correspondence, Chanin assisted the Committee in fulfilling its statutory duties to make informed decisions regarding the various issues which have arisen in these cases; to monitor closely the Debtors' management of these proceedings; and to reach independent conclusions on the merits of specific matters, as well as regarding the prospects of reorganization.

29. In addition to the assignments and tasks set forth above, at the request of the Committee, Chanin (i) participated in various conference calls with Committee members and other constituents, (ii) reviewed and analyzed certain other financial information (as requested by the Committee), and (iii) provided other financial analysis in assistance to the Committee counsel. All of Chanin's activities were conducted with the goal of producing efficient and effective services to the Committee and the Debtor's estate.

Disbursements

30. Chanin has disbursed \$48,966.07 as expenses incurred and recorded in providing professional services during the Compensation Period of which \$30,445.49 has been reimbursed to Chanin. These expenses do not exceed the maximum rate set by the Guidelines. These charges are intended to cover Chanin's direct costs, which costs are not incorporated into the Chanin monthly fees. Only clients who actually use services of the types for which reimbursement is sought are separately charged for such service. The effect of including such expenses as part of the monthly fee would impose that cost upon clients who do not require such services.

31. In these proceedings, Chanin charges \$0.20 per page for internal duplicating and \$1.00 per page for outgoing facsimile transmissions. Chanin does not charge for incoming facsimile transmissions or for facsimile transmissions for local telephone numbers. The amount of the standard photocopying charge is intended to allow Chanin to cover the related expenses of its photocopying service.

32. Due to the nature of the Debtor's businesses, the location of their various offices and facilities, as well as the location of the members of the Committee and their professionals, frequent long distance telephone calls have been required. On several occasions,

overnight delivery of documents and other materials was required as a result of urgent needs necessitating the use of such express services.

33. The time constraints imposed by the circumstances of these cases have required Chanin's professionals at times to devote time during the evenings and on weekends to the performance of financial services on behalf of the Committee. While not frequent, these extraordinary services were essential in order to meet deadlines, react timely to the rapidly changing financial condition of the Debtors, and satisfy the demands of the Committee in providing high-quality financial services. Chanin has not charged for any overtime expense. Nonetheless, consistent with the provisions of the Guidelines, Chanin has sought reimbursement for the expenses related to working meals and transportation, consistent with the provisions of the Guidelines.

34. Chanin respectfully submits that the actual expenses incurred in providing professional services for which reimbursement is sought in this Application were necessary, reasonable, and justified under the circumstances to serve the needs of the Committee in fulfilling their statutory obligations.

The Requested Compensation Should Be Allowed

35. The professional services rendered by Chanin required a high degree of professional competence and expertise so that the numerous issues requiring evaluation and determination by the Committee could be addressed with skill and dispatch and have, therefore, required the expenditure of substantial time and effort. It is respectfully submitted that the services rendered to the Committee were performed efficiently, effectively and economically.

36. The allowance of interim compensation for services rendered and reimbursement of expenses in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

Any professional person ... may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered ... as is provided under section 330 of this title.

11 U.S.C. § 331. Moreover, this Court has authorized the filing of this Application in the Administrative Fee Order.

37. With respect to the level of compensation, section 330(a)(1) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person:

reasonable compensation for actual, necessary services rendered ...

Section 330(a)(3)(A), in turn, provides that

In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the 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)(A). The clear Congressional intent and policy expressed in this statute is to provide for adequate compensation in order to continue to attract qualified and competent bankruptcy practitioners to bankruptcy cases.

38. The total time spent by Chanin professionals during the Compensation Period was 5,911.8 hours. The work involved, and thus the time expended, was carefully assigned in light of the experience and expertise required for a particular task.

39. As shown by this application and supporting documents, Applicant spent its time economically and without unnecessary duplication of time. Attached hereto as Exhibit "C" is a schedule of the hours expended by the professionals during the Compensation Period.

Statements of Chanin

40. No agreement or understanding prohibited by section 504 of the Bankruptcy Code exists between Chanin and any other person for a sharing of compensation received or to be received for services rendered in or in connection with these chapter 11 cases, nor shall Chanin share or agree to share the compensation paid or allowed from the Debtor's estate for such services with any other person in contravention of section 504 of the Bankruptcy Code. No agreement or understanding prohibited by 18 U.S.C. § 155 has been made by Chanin.

41. Pursuant to Bankruptcy Rule 2016, Chanin states that no payments have heretofore been made or promised to Chanin for services rendered or to be rendered in any capacity in connection with these chapter 11 cases.

Waiver of Memorandum of Law

42. 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 Application, Chanin respectfully requests that the Court waive the requirement that Chanin file a memorandum of law in support of this Application.

Notice

43. Copies of this Application have been provided to the notice parties listed in paragraph (a) of the Administrative Order. Pursuant to paragraph (a) of the Administrative Order, a notice of the hearing, when set by the Court, to consider this and other professionals' applications for final compensation will be served on the notice parties. Chanin submits that this is good and sufficient notice and no other or further notice is necessary.

WHEREFORE, Chanin respectfully requests (i) final allowance of compensation for professional services rendered as financial advisors for the Committee and reimbursement of actual and necessary disbursements incurred and recorded by Chanin in the amount of \$740,445.49 for the period of February 23, 2001 through November 27, 2002, (ii) such other and further relief as is just, and iii) authority to the Debtor to pay to Chanin outstanding compensation and reimbursement of expenses in the amount of \$400,000.00.

Dated: New York, New York
January 22, 2003

CHANIN CAPITAL PARTNERS

By:



Randall L. Lambert
Managing Director
330 Madison Avenue
11th Floor
New York, New York 10017
(212) 758-2629

Financial Advisor for the Official Committee
of Unsecured Creditors

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UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK

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 In re :
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 SUNBEAM CORPORATION, : Chapter 11
 : Case No. 01-40291 (AJG)
 Debtor. :
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**CERTIFICATION PURSUANT TO GUIDELINES FOR FEES AND DISBURSEMENTS
 FOR PROFESSIONALS IN RESPECT OF THE FINAL FEE APPLICATION OF
 CHANIN CAPITAL PARTNERS
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

I, Randall L. Lambert, hereby certify that:

1. I am a Managing Director at Chanin Capital Partners and the professional designated by the applicant, Chanin Capital Partners (“CCP”) with responsibility for the statutory committee of unsecured creditors (the “Committee”) appointed in the chapter 11 cases of Sunbeam Corporation, (the “Debtor”) 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”) 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 (the “UST Guidelines”).

2. This certification is made in respect of Chanin’s final application, dated January 22, 2003 (the “Application”) including the exhibits annexed thereto, for final compensation and

reimbursement of expenses for the period commencing February 23, 2001 through November 27, 2002 (the “Compensation Period”) in accordance with the Local 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 charged in accordance with practices customarily employed by Chanin and generally accepted by Chanin’s clients; and

(d) in providing a reimbursable service, Chanin does not make a profit on that service, whether the service is performed by Chanin in-house or through a third party.

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

(a) The Chairman of the Committee, the United States Trustee for the Southern District of New York (the “US Trustee”), the Debtor, counsel for the Debtor, and counsel for the Debtor’s pre-petition and post-petition lenders have each been provided on a monthly basis with a statement of Chanin’s fees and disbursements accrued during the previous month in accordance with the Court’s Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals dated February 27, 2001 (the “Administrative Order”); and

(b) the statement contained lists of professionals providing services, 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 billing practices.

5. In respect of section B.3 of the Local Guidelines, I certify that the Chairman of the Creditors’ Committee, the US Trustee, the Debtor, counsel for the Debtor, and counsel for the pre-

petition and post-petition lenders are each being provided with a copy of the Application in accordance with the Administrative Order.

6. By this certification, Chanin does not waive or release any rights or entitlements it has under the order of this Court, dated April 18, 2001, approving Chanin's retention as financial advisor to the Committee *nunc pro tunc* to February 23, 2001, pursuant to Chanin's normal billing and customary reimbursement and disbursement practices.

Dated: New York, New York
January 22, 2003

A handwritten signature in black ink, enclosed within an oval shape. The signature is stylized and appears to read "R. Lambert".

Randall L. Lambert