

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

COVER SHEET: APPLICATION FOR PROFESSIONAL COMPENSATION

-----))	
In re:)	Chapter 11
)	
SUNBEAM CORPORATION)	Case Nos. 01-40291 (AJG)
et al.,)	
Debtors.)	Judge Honorable Arthur J. Gonzalez
)	United States Bankruptcy Judge
-----))	

Type of Application: Interim Final

Name of Applicant:	Zolfo Cooper, LLC
Authorized to Provide Professional Services to:	The Debtors
Date of Order Authorizing Employment:	<u>February 27, 2001</u>

Compensation Sought:	
Application Date:	August 31, 2002
Application Period:	March 1, 2002 to July 31, 2002

	<u>Hours</u>	<u>Amount</u>
Professional fees	14.5	\$5,887.50
Paraprofessional fees	0.1	9.50
Total	14.6	5,897.00
 Expense Reimbursement		 88.60
Total		\$5,985.60

In so far as this is a final fee application, ZolfoCooper, LLC hereby requests the court approve as final all previously allowed fees and expenses of \$542,696.73.

**Summary of
Professional Fees by Professional
March 1, 2002 to July 31, 2002**

<u>Name of Professional</u>	<u>Title</u>	<u>Years Experience</u>	<u>Rate*</u>	<u>Hours Billed</u>	<u>Total</u>
Jonathan Mitchell	Director	25	475	6.5	\$3,087.50
Glenn Sniezek	Associate	6	350	<u>8.0</u>	<u>2,800.00</u>
Total				<u>14.5</u>	<u>\$5,887.50</u>
Average blended hourly rate					<u>\$406.03</u>

Is this a first application? Yes No

Prior Fee Application Information (Complete if answer to above question is no):

<u>Date Filed</u>	<u>Period Covered</u>	<u>Total Fees and Expenses Requested</u>	<u>Allowed</u>	<u>Paid</u>
November 13, 2001	February 6 – May 31, 2001	\$221,966.41	\$212,053.66	\$212,053.66
December 3, 2001	June 1 – October 31, 2001	148,131.12	141,322.57	141,322.57
April 30, 2002	November 1 – February 28, 2002	198,427.73	189,320.50	189,320.50
Total:		<u>\$568,525.26</u>	<u>\$542,696.73</u>	<u> </u>
Aggregate Fees and Expenses Offset against Retainer to Date:				\$491,345.70
Aggregate Fees and Expenses Paid in Cash to Date:				<u>51,351.03</u>
Total Fees and Expenses Paid to Date:				<u>\$542,696.73</u>
Original Retainer Balance				\$500,000.00
Aggregate Fees and Expenses Offset against Retainer to Date				<u>491,345.70</u>
Outstanding Retainer as of July 31, 2002				<u>\$ 8,654.30</u>

* Zolfo Cooper's billing rates are revised on January 1 and July 1 annually. The rates shown reflect those in effect as of July 1, 2002.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

-----)	Case Nos. 01-40291 (AJG)
In re:)	In Proceedings for a
SUNBEAM CORPORATION,)	Reorganization Under Chapter
et al.)	11 of the Bankruptcy Code
Debtors)	Jointly Administered
-----)	

**FINAL APPLICATION OF ZOLFO COOPER, LLC
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AS BANKRUPTCY ACCOUNTANTS AND SPECIAL FINANCIAL ADVISORS
TO THE DEBTORS
AND FOR REIMBURSEMENT OF EXPENSES UNDER 11 U.S.C. § 330(a)**

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

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 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. The Debtors are very large, complex enterprises, principally engaged in the manufacturing and sale of small appliances, camping equipment and outdoor grills and certain related businesses, with operations located throughout the World.

3. The debtors required the services of experienced Bankruptcy Accountants and Special Financial Advisors to assist them in developing a Business Plan, analyzing cash flow projections, and providing temporary accounting and financial planning services. Because of Zolfo Cooper, LLC's ("ZC" or "Applicant") expertise and experience at a national level in providing reorganization, accounting and a broad range of consulting services to debtors and other parties in interest in financially complex troubled situations, the Debtors applied to the Bankruptcy Court to authorize ZC's retention as Accountants and Special Financial Advisors to the Debtors.

4. All the services that the Firm has provided to the Debtors has been (i) at the request of the Debtors, (ii) appropriately directed by the Debtors so as to avoid duplicative efforts among the professionals retained in the case and (iii) performed in accordance with applicable standards of the accounting profession. The Bankruptcy Court entered an order (the "Retention Order") on February 27, 2001 authorizing the retention of ZC to:

- (a) Advise and assist management in organizing the Debtors' resources and activities so as to effectively and efficiently plan, coordinate and manage the Chapter 11 process and interact with customers, lenders, suppliers, employees, shareholders and other parties in interest;
- (b) Assist management in designing and implementing programs to manage or divest assets, improve operations, reduce costs and restructure as necessary with the objective of rehabilitating the business;
- (c) Advise the Debtors concerning interfacing with Official Committees, other constituencies and their professionals, including the preparation of financial and operating information required by such parties and/or the Bankruptcy Court;
- (d) Advise and assist the Debtors in forecasting, planning, controlling and other aspects of managing cash;
- (e) As requested, render expert testimony concerning the feasibility of a Plan of Reorganization and other matters that may arise in the case; and
- (f) Provide such other services as may be required by the Debtors.

A copy of the Order authorizing the retention of ZC as Bankruptcy Accountants and Special Financial Advisors to the Debtors, along with the related application to the Bankruptcy Court for such retention authority and the supporting Affidavit of Stephen F. Cooper is attached as Exhibit "A".

5. The Retention Order authorized the Debtor to pay fees for services rendered and ZC's out-of-pocket expenses, as reflected on each monthly invoice. Such payment is to be made by the Debtor in accordance with the Order Pursuant to 11 U.S.C. Sections 105(a) and 331 Establishing Procedures For Monthly Compensation and Reimbursement of Expenses of Professionals (the "Compensation Order"), and is subject to final allowance by the Bankruptcy Court. A copy of the Compensation Order is attached as part of Exhibit "B".

6. ZC has provided advisory services to the Debtor for the period from February 6, 2001 through and including July 31, 2002. These advisory services included assistance in converting the Debtors' records to a new reporting system, assisting in the preparation and review of the Debtors' 2001, 2002 and 5 year business plans, assisting in developing monthly forecasting processes and procedures, and providing accounting and reporting support in the preparation of the Debtors' monthly and year end reporting packages during 2001 and 2002 to parties in interest. Based on the value added and the results achieved during this period which included the successful migration of the Debtor's data to the Debtor's new reporting system, the development and implementation of forecasting processes and procedures that were very beneficial to the Debtor's financial reporting department, and the overall improvement in the Debtor's forecasting and reporting during the period of ZC's involvement, ZC deserves the 5% holdback from the three interim fee applications and the 20% holdback of fees from this final application.

7. Pursuant to a letter dated June 28, 2002 from the Debtors, and agreed to by the lenders under the Debtors' DIP Credit Agreement, ZC was no longer required to be retained by the Debtors as Bankruptcy Accountants and Special Financial Advisors. The Debtors have indicated to ZC that ZC will no longer be retained as Bankruptcy Accountants and Special Financial Advisors. A copy of the letter indicating that the Debtors are no longer required to retain ZC as Bankruptcy Accountants and Special Financial Advisors is attached as part of "Exhibit A".

Certification

8. The affiant, as the professional designated by the Applicant with the responsibility for compliance with the Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York (the "Amended Guidelines"), certifies that except as otherwise noted elsewhere herein:

- 1)
 - a) He has read this application,
 - b) To the best of his knowledge, information and belief, formed after reasonable inquiry:
 - i. This application complies with the mandatory provisions of the Amended Guidelines,
 - ii. The fees and out-of-pocket expenses are billed in accordance with the billing practices described below, and except as otherwise indicated therein fall within the Amended Guidelines, and
 - iii. Except to the extent prohibited by the Amended Guidelines, the fees and out-of-pocket expenses sought herein have been billed at rates and in accordance with practices customarily employed by the Applicant and accepted by the Applicant's clients.
- 2) This final application for allowance of fees and reimbursement of out-of-pocket expenses has been reviewed and approved by the Debtors.
- 3) The Debtors, the Trustee and the Counsel to the Creditors Committee has each been provided, no later than twenty days after the end of each month within the Application Period, a statement of fees for services and out-of-pocket expenses accrued during such month and containing a list of professionals, paraprofessional and support personnel providing services; their respective billing rates; the aggregate hours expended by each such person; a general description of the services rendered, summarized by discrete

project; a detailed description of the services performed by each professional, paraprofessional and support person and the time expended, organized by debtor, by discrete project, by day.

- 4) The Debtors and the Trustee has each been provided a copy of this final application for allowance of fees and reimbursement of out-of-pocket expenses at least ten days prior to the date for filing fee applications set by the Bankruptcy Court.
- 5) With respect to expenses and reimbursable services incurred for which reimbursement is sought, ZC:
 - a) Does not make a profit;
 - b) Does not include in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment or capital outlay; and
 - c) Seeks reimbursement of services purchased from or contracted for with a third-party vendor only in the amount billed to the Applicant by and paid or to be paid by the Applicant to the vendor.

The affiant is available to attend the final fee hearing either in person or telephonically, if required; if he is unable to do so, he will arrange for a member of the firm, authorized to speak for the firm, to be present.

Relief Requested

9. This application is made for final allowance of compensation for services rendered by ZC as Bankruptcy Accountants and Special Financial Advisors to the Debtors and for reimbursement of necessary out-of-pocket expenses actually incurred during the Application Period. ZC filed three applications for allowance of interim compensation and reimbursement of out-of-pocket expenses during the Application Period. The status of these previous applications and a discussion of professional services rendered and out-of-pocket expenses incurred for which a previous application has not been filed follows.

10. On December 27, 2001, the Bankruptcy Court conducted an interim fee hearing and considered ZC's first and second applications for allowance of interim compensation and out-of-pocket expenses covering the period February 6, 2001 through and including October 31, 2001. ZC had requested fees of \$334,426.00 and out-of-pocket expenses of \$35,671.53, \$370,097.53 in total. The Bankruptcy Court entered an order awarding ZC allowance of interim compensation in the amount of \$317,704.70 and out-of-pocket expenses in the amount of \$35,671.53 and deferred for further consideration at the final fee hearing a holdback of 5% of fees, or \$16,721.30.

11. On June 18, 2002, the Bankruptcy Court conducted an interim fee hearing and considered ZC's third application for allowance of interim compensation and out-of-pocket expenses covering the period November 1, 2001 through and including February 28, 2002. ZC had requested fees of \$182,144.50 and out-of-pocket expenses of \$16,283.23, \$198,427.73 in total. The Bankruptcy Court entered an order awarding ZC allowance of interim compensation in the amount of \$173,037.27 and out-of-pocket expenses in the amount of \$16,283.23 and deferred for further consideration at the final fee hearing a holdback of 5% of fees, or \$9,107.23.

12. During the Application Period, ZC has provided an aggregate of 14.6 hours of services as Bankruptcy Accountants and Special Financial Advisors to the Debtors, 14.5 hours for professional services and 0.1 hours for paraprofessional and support services, thereby incurring fees of \$5,897.00¹ in the aggregate, \$5,887.50 for professional services and \$9.50 for paraprofessional and support services, and out-of-pocket expenses of \$88.60. \$4,806.20, representing 80% of the fees and 100% of the out-of-pocket expenses, were invoiced currently, and 20% of the fees, or \$1,179.40, were held back pending application to the Bankruptcy Court.

¹ Due to the administrative burden of itemizing billing for Sunbeam Corporation and the subsidiary debtors on a separate basis, unless noted otherwise, ZC has allocated fifty percent (50%) of the total time and amounts due for professional services and reimbursement of expenses to each of Sunbeam Corporation and the subsidiary debtors. This allocation is ZC's best approximation of time spent on the case.

A summary of the monthly invoices issued during the Application Period, showing the hours expended and the amounts of fees and out-of-pocket expenses incurred is set forth below²:

	<u>Total</u>	<u>April</u>	<u>May</u>	<u>July</u>
Hours expended:				
Professional	14.5	3.7	0.0	10.8
Paraprofessional and support	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>
Total	<u>14.6</u>	<u>3.7</u>	<u>0.0</u>	<u>10.9</u>
Fees incurred:				
Professional	\$ 5,887.50	\$ 1,757.50	\$ 0.00	\$ 4,130.00
Paraprofessional and Support	<u>9.50</u>	<u>0.00</u>	<u>0.00</u>	<u>9.50</u>
Total	5,897.00	1,757.50	0.00	4,139.50
Out-of-Pocket Expenses Incurred				
	<u>88.60</u>	<u>28.41</u>	<u>60.19</u>	<u>0.00</u>
Subtotal	5,985.60	1,785.91	60.19	4,139.50
Less 20% of fees held back	<u>1,179.40</u>	<u>351.50</u>	<u>0.00</u>	<u>827.90</u>
Net amount invoiced	4,806.20	1,434.41	60.19	3,311.60
Amount paid through July 31, 2002	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net amount outstanding for period Mar. 1-July 31, 2002	<u>\$ 4,806.20</u>	<u>\$ 1,434.41</u>	<u>\$ 60.19</u>	<u>\$ 3,311.60</u>
Plus 5% holdback of fees From three interim fee applications	<u>25,828.53</u>			
Net amount outstanding	<u>\$30,634.73</u>			

² During the months of March 2002, and June 2002, Zolfo Cooper did not incur any expenses or professional/paraprofessional fees.

13. Copies of invoices are attached as Exhibit "B" to this final application for allowance of compensation and reimbursement of out-of-pocket expenses. Accompanying each invoice is a list of professionals, paraprofessionals and support personnel providing services; their respective billing rates; the aggregate hours expended by each professional, paraprofessional and support person; a general description of the services rendered, summarized by discrete project; a detailed description of the services performed by each professional, paraprofessional and support person and the time expended, organized by discrete project, by day and a reasonably detailed breakdown of the disbursements incurred. A summary of time incurred by professional, by discrete project is attached as Exhibit "C."

14. Detailed analyses of the out-of-pocket expenses incurred, showing the amount incurred in each expense category by month during the Application Period are attached as Exhibit "D" to this final application for final allowance of compensation and reimbursement of out-of-pocket expenses.

15. A recap of professional fees and out-of-pocket expenses invoiced from the Filing Date through the end of the Application Period, showing the amounts incurred, the amounts held back pursuant to the terms of the Retention Order pending future application to the Bankruptcy Court, the amounts paid by the Debtors to the date of this final application, and the amounts unpaid is attached as Exhibit "E" to this final application for allowance of compensation and reimbursement of out-of-pocket expenses. In addition to the foregoing, ZC hereby seeks to have the court approve as a final allowance all of the fees and expenses previously awarded to ZC in this case.

Billing Practices

16. It is ZC's customary practice to charge fees based on actual hours expended to perform its services at standard hourly rates established for each principal and employee as adjusted semi-annually. It is the customary practice of the Firm to bill clients for travel time consistent with guidelines of the jurisdiction. Time entries are recorded in six minute increments. Fees reflect economies resulting from the use of paraprofessional and support personnel to develop schedules and

analyses, input computer data, perform research, work on fee applications, and other activities necessary to the efficient administration of a case. So as not to burden clients who do not require such services, ZC does not include support services in the firm's overhead for the purpose of establishing billing rates. Billing rates are generally representative of prevailing market rates, as awarded by other Courts in similar circumstances, for practitioners providing such services at a national level who have comparable skill and experience.

ZC charges its clients only for reasonably incurred, out-of-pocket expenses associated with an assignment. Except as necessary to comply with applicable court-mandated guidelines for allowance of professional fees and expenses or an applicable Administrative Order, all such expense billings are in accordance with the Firm's customary practices. ZC personnel stay at convenient, quality hotels and eat at quality restaurants; ZC does not incur costs for luxury accommodations or deluxe meals and when prohibited by applicable administrative order does not bill clients for first class airfare. Except as follows, all expenses are billed at actual cost, exclusive of amortization of the cost of any investment, equipment or capital outlay: (i) internal charges for outgoing out-of-town facsimile transmissions are \$1.25 for domestic transmissions and \$2.50 for foreign transmissions and (ii) internal photocopy charges are \$.20 per page.

ZC maintains contemporaneous records of the time expended and out-of-pocket expenses incurred in support of its billings for services. All such records are located in the Firm's offices and are available for inspection, subject to certain matters contained therein that may be privileged.

Staffing and Approach

17. ZC is a nationally recognized independent financial advisory and consulting firm specializing in advising debtors, creditors' committees, investors and court-appointed officials in formal Bankruptcy proceedings and out-of-court workouts. A substantial portion of ZC's work is advisory and involves ZC's professionals counseling senior client personnel regarding high-level strategic and tactical issues. Consistent with its relatively unique practice, ZC's partner group and professional staff consists of accomplished professionals primarily former "Big 5" partners or managers and senior industry and banking executives. Indeed, more than 50% of ZC's professionals have in excess

of ten years of relevant business experience. The firm's internal structure and work approach are designed around its unusual staff composition of senior professionals. The title principal at ZC is a legal distinction, not a distinction of professional proficiency. Individual staff members are assigned project roles, to bring to bear their particular talents and experience in view of the specific requirements of the engagement. ZC provides high value for its fees, efficiently leveraging its experienced professionals by directing client personnel to perform routine tasks.

Stephen F. Cooper, CPA, CMA, CMC, CIRA, the principal in charge of this engagement, has over 30 years of experience, primarily in working with troubled companies. He has gained significant experience in production, marketing and sales as well as finance across a broad industry base. A graduate of Occidental College and a Wharton MBA, Mr. Cooper enjoys a national reputation as an effective problem solver capable of forging consensual coalitions among parties with disparate economic interests. He was responsible for the overall design of the Firm's services and direction of the engagement team. Mr. Cooper is assisted by Mr. Jonathan Mitchell, who, as the project manager, is responsible for all aspects of engagement administration and coordination of the efforts of the assigned staff. Mr. Mitchell has 25 years of experience, including 8 years advising troubled companies.

Integral to any team approach, and essential to minimize misunderstandings and assure continuity of service in a large, multifaceted case such as this one, are conferences, meetings and worksessions among the members of the engagement team. Ongoing communications and review of work product facilitate the sharing of information and assure continued alignment with established priorities and objectives, thereby reducing the time expended and avoiding duplicative efforts. ZC communicates continually with its clients on the status and results of its work efforts and interfaces with other professionals to improve coordination and ensure that it does not duplicate services rendered by other professionals retained in the case.

Summary of Services Provided and Results Achieved

18. During this Final Fee Application Period, ZC's primary focus was to prepare for the final fee hearing and to have discussions with the Debtors to determine the continuing role, if needed, of ZC in the bankruptcy process.

19. Summarized below is a description of the services provided by ZC to the Debtors during the Application Period in each significant service area along with a brief description of the obstacles encountered and results achieved.

Project #18 – Engagement Administration (\$5,887.50, 100% of ZC Fees): Fees for planning and coordinating the professionals' engagement team activities, discussions regarding ZC's role in the bankruptcy process, and preparation of the final fee application, invoices and time summaries.

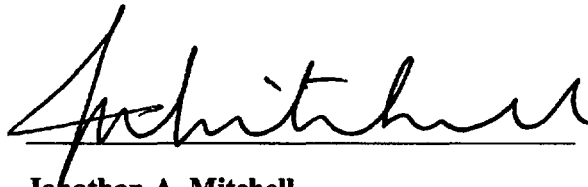
Compensation Sought

20. In view of the assistance provided to the Debtor during the period from February 6, 2001 through and including July 31, 2002 which included assistance in converting the Debtors' records to a new reporting system, assisting in the preparation and review of the Debtors' 2001, 2002 and 5 year business plans, assisting in developing monthly forecasting processes and procedures, and providing accounting and reporting support in the preparation of the Debtors' monthly and year end reporting packages during 2001 and 2002 to parties in interest, as well as the results achieved in these matters, and the value added, ZC requests that the court approve as final all of the fees and expenses previously awarded to ZC in this case and ZC be awarded, at this time, an allowance of final compensation for professional services rendered in the sum of \$31,725.53, representing the 5% of fees held back from the three interim fee application periods and the fees for preparing the final fee application, and for actual and necessary out-of-pocket expenses incurred in the sum of \$88.60. ZC

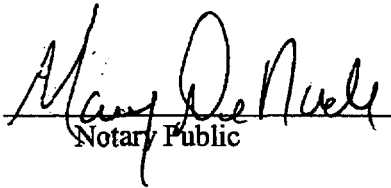
WHEREFORE, ZC respectfully requests that it be granted an allowance of final compensation for professional services rendered as Bankruptcy Accountants and Special Financial Advisors to the Debtors during the period March 1, 2002 through and including July 31, 2002 in the sum of \$5,897.00, plus reimbursement of actual and necessary out-of-pocket expenses incurred in the sum of \$88.60. ZC respectfully requests that the Bankruptcy Court order a final payment of \$31,814.13 for the outstanding professional fees and out-of-pocket expenses and approve as final all of the fees and expenses previously awarded ZC in this case of \$542,696.73.

Dated: August 31, 2002

Roseland, New Jersey



Jonathan A. Mitchell
ZOLFO COOPER, LLC
Bankruptcy Accountants and Special Financial Advisors
101 Eisenhower Parkway,
Roseland, NJ 07068
(973) 618-5100



Notary Public

MARY DENUDE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 6, 2007

**FINAL APPLICATION OF ZOLFO COOPER, LLC
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AS SPECIAL FINANCIAL ADVISORS AND BANKRUPTCY CONSULTANTS
TO THE DEBTORS
AND FOR REIMBURSEMENT OF EXPENSES UNDER 11 U.S.C. § 330 (a)**

EXHIBIT A

Order Authorizing the Retention of Zolfo Cooper, LLC as Special Financial Advisors and Bankruptcy Consultants to the Debtors, along with the related Application of the Bankruptcy Court for such retention authority and supporting Affidavit of Stephen F. Cooper.

Letter dated June 28, 2002 stating that ZC is no longer required to be retained as Special Financial Advisors and Bankruptcy Consultants to the Debtors.

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

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

**FINAL ORDER AUTHORIZING DEBTORS TO EMPLOY
ZOLFO COOPER, LLC AS BANKRUPTCY CONSULTANTS
AND SPECIAL FINANCIAL ADVISORS TO THE DEBTOR**

This matter coming to be heard upon the annexed Application of Sunbeam Corporation for an Order Authorizing the above-captioned debtor and debtor-in-possession to employ Zolfo Cooper, LLC (either Zolfo Cooper, LLC or an affiliate thereof, "ZC" or the "Firm") as Bankruptcy Consultants and Special Financial Advisors to Sunbeam Corporation (the "Application"¹) filed by Sunbeam Corporation and upon the United States Trustee's informal objection to the indemnification provision; the Court having reviewed the Application and the appended Affidavit in support of such Application of Stephen F. Cooper (the "Cooper Affidavit"), a member/principal of ZC; the Court having heard the statements of counsel for Sunbeam Corporation and all other parties appearing in Court at a hearing held by the Court on February 26, 2001; and the parties, despite disagreements regarding the propriety of indemnification have resolved any issues relating to Sunbeam Corporation's retention of ZC in this case; it appearing to

¹ All capitalized terms not herein defined shall have the meaning given to them in the Application.

the Court that: (i) due and sufficient notice of the Application has been provided to the Office of the United States Trustee, attorneys for Sunbeam Corporation's prepetition senior lenders, attorneys for Sunbeam Corporation's proposed postpetition lenders, Sunbeam Corporation's 30 largest unsecured creditors, and the official committee of unsecured creditors appointed in this chapter 11 case; (ii) ZC does not hold or represent any interest adverse to the interests of Sunbeam Corporation, its estate, its creditors or other parties in interest, the United States Trustee or anyone employed in the Office of the United States Trustee in the matters upon which ZC is to be engaged and is a "disinterested person" as that term is defined in section 101(14) of title 11 of the United States Code (the "Bankruptcy Code"); (iii) Sunbeam Corporation requires the assistance of knowledgeable Bankruptcy Consultants and Special Financial Advisors and desires to employ and retain ZC pursuant to section 327 of the Bankruptcy Code, to render the essential services set forth in the Application as needed during the course of this chapter 11 proceeding and that ZC is well qualified to render such services; (iv) this Court has proper jurisdiction with respect to the granting of the relief requested herein; and (v) the employment and retention of ZC is in the best interests of Sunbeam Corporation, its estate, its creditors and other parties in interest herein;

IT IS HEREBY ORDERED that,

(1) Sunbeam Corporation shall be, and hereby is, authorized to employ and retain ZC pursuant to section 327 of the Bankruptcy Code as its Bankruptcy Consultants and Special Financial Advisors in connection with this chapter 11 case and Sunbeam Corporation's businesses generally, under a general retainer upon the terms and for the

purposes set forth and as requested in the Application and appended Cooper Affidavit and attachments thereto;

(2) ZC shall be, and hereby is, authorized to perform the services enumerated in the Application and the Cooper Affidavit;

(3) Sunbeam Corporation shall be and hereby is authorized to compensate ZC, in accordance with sections 330 and 331 of the Bankruptcy Code, applicable Federal Rules of Bankruptcy Procedure, local rules of the Court, the terms of the Engagement Letter and such procedures as may be fixed by order of this Court;

(4) All compensation and reimbursement of expenses to be paid to ZC, including, inter alia, for indemnification, shall be subject to approval of this Court in accordance with the requirements under sections 330 and 331 of the Bankruptcy Code;

(5) ZC be and hereby is authorized to hold its retainer after application of any outstanding prepetition fees and expenses, subject to further order of the Bankruptcy Court;

(6) Subject to ZC's compliance with the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules in applying for allowance of ZC's compensation and reimbursement of ZC's out-of-pocket expenses, and the approval of the compensation and reimbursement of expenses as meet with appropriate legal standards, ZC's billing practices, billing rates, methods of charging expenses, and staffing approach, be, and hereby are approved as enumerated in the Application and in the Cooper Affidavit;

(7) All requests of ZC for payment of indemnity pursuant to the Engagement Letter shall be made by means of an application (interim or final as the case may be) and

shall be subject review by the Court to ensure that any payment of such indemnity conforms to the terms of the Engagement Letter and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought, provided, however, that in no event shall ZC be indemnified in the case of its own bad-faith, self-dealing, breach of fiduciary duty, gross negligence, reckless or willful misconduct, or malpractice arising from the foregoing (other than ordinary negligence);

(8) In no event shall ZC be indemnified if the Debtor, the estate, or the official committee of unsecured creditors, asserts a claim for, and a court determines by final order that such claim arose out of, ZC's own bad-faith, self-dealing, breach of fiduciary duty, gross negligence, reckless or willful misconduct, or malpractice arising from the foregoing (other than ordinary negligence);

(9) In the event that ZC seeks reimbursement for attorneys' fees from the Debtor pursuant to the Engagement Letter, the invoices and supporting time records from such attorneys shall be included in ZC's own applications (both interim and final) and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of the Court under the standards of sections 330 and 331 of the Bankruptcy Code without regard to whether such attorney has been retained under section 327 of the Bankruptcy Code; and

(10) To the extent that this order is inconsistent with any prior order, pleading, or Engagement Letter with respect to ZC, the terms of this order shall govern.

Dated: New York, New York
February 27, 2001

s/Arthur J. Gonzalez
UNITED STATES BANKRUPTCY JUDGE

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

_____ x
: **Chapter 11 Case No.**
: **01-____ (____)**
: **Debtor.**
: _____ x

**APPLICATION OF THE DEBTOR PURSUANT TO SECTIONS 327(a)
AND 328(a) OF THE BANKRUPTCY CODE FOR AUTHORIZATION TO
EMPLOY ZOLFO COOPER, LLC AS BANKRUPTCY CONSULTANTS
AND SPECIAL FINANCIAL ADVISORS TO THE DEBTOR**

Sunbeam Corporation (“Sunbeam Corporation”), as debtor in possession,
respectfully represents:

Background

Commencement of Chapter 11 Cases

1. On the date hereof (the “Commencement Date”), Sunbeam Corporation and substantially all of its direct and indirect domestic operating subsidiaries (the “Subsidiaries”¹) 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

¹ The Subsidiaries that have commenced chapter 11 cases are: AI Realty Marketing of New York, Inc.; Beacon Exports, Inc.; BRK Brands, Inc.; CC Outlet, Inc.; CMO, Inc.; Coleman Argentina, Inc.; Coleman International Holdings, LLC; Coleman Powermate, Inc.; Coleman Puerto Rico, Inc.; Coleman Venture Capital, Inc.; Coleman Worldwide Corp.; DDG I, Inc.; Family Gard, Inc.; First Alert, Inc.; General Archery Industries, Inc.; GHI I, Inc.; JGK, Inc.; Kaimona, Inc.; Kansas Acquisition Corp.; L.A. Services, Inc.; Laser Acquisition Corp.; Nippon Coleman, Inc.; Packs & Travel Corporation; Pearson Holdings, Incorporated; PH III, Inc.; River View Corporation of Barling, Inc.; SI II, Inc.; Sierra Corporation of Fort Smith, Inc.; Sunbeam Americas Holdings, Ltd.; Sunbeam Health & Safety Company; Sunbeam Latin America, LLC; Sunbeam Products, Inc.; Sunbeam Services, Inc.; Survival Gear, Inc.; Thalia Products Inc.; The Coleman Company, Inc.; THL-FA IP Corp; Vero Dunes Venturer, Inc.; and Woodcraft Equipment Company.

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.

Business Operations

2. Sunbeam Corporation is the parent corporation of the Subsidiaries as well as many non-debtor foreign subsidiaries (the “Foreign Subsidiaries”² and, collectively, with Sunbeam Corporation, the Subsidiaries and certain non-debtor domestic subsidiaries of Sunbeam Corporation, “Sunbeam”). Sunbeam’s primary business is the manufacturing, marketing and distribution of durable household and outdoor leisure consumer products through mass market and other consumer channels in the United States and internationally. Sunbeam also sells its products to professionals and commercial end users such as small businesses. Sunbeam’s principal products include household kitchen appliances; health monitoring and care products for home use; scales for professional and business uses; electric blankets and throws; clippers and trimmers for consumer, professional and animal uses; smoke and carbon monoxide detectors; outdoor barbecue grills; camping equipment, including tents, lanterns, sleeping

² The principal Foreign Subsidiaries are: Application Des Gaz, S.A.S. (France); Bafiges S.A.S. (France); BRK Brands Europe Limited (England and Wales); Camping Gaz CS Spol S.R.O. (Czech Republic); Camping Gaz GmbH (Austria); Camping Gaz Great Britain, L.T.D. (Great Britain); Camping Gaz International Deutschland GmbH (Germany); Camping Gaz International Portugal, L.T.D. (Portugal); Camping Gaz Italie S.r.L. (Italy); Camping Gaz Kft (Hungary); Camping Gaz Suisse A.G. (Switzerland); Coleman Argentina S.A. (Argentina); Coleman Asia Limited (Hong Kong); Coleman Benelux B.V. (Netherlands); Coleman Brands Pty Limited (Australia); Coleman do Brasil Ltda. (Brasil); Coleman Deutschland GmbH (Germany); Coleman Europe S.A./N.V. (Belgium); Coleman International SARL (LLC) (Switzerland); Coleman Japan K.K. (Japan); Coleman Japan Company, Ltd. (Japan); Coleman Life Styles KK (Japan); Coleman Mexico S.A. de C.V. (Mexico); Coleman SVB S.r.L (Italy); Coleman Taymar Limited (England and Wales); Coleman U.K Holdings Limited (England and Wales); Coleman U.K. PLC (England and Wales); Electronica BRK de Mexico (Mexico); Oster de Venezuela (Venezuela); Oster GmbH (Germany); Productos Coleman, S.A. (Spain); SI China Ventures, Ltd. (Hong Kong); Sunbeam Corporation (Canada) Limited (Ontario); Sunbeam Europe SARL (France); Sunbeam Holdings S.A. de C.V. (Mexico); Sunbeam International(Asia), Ltd. (Hong Kong); Sunbeam Japan KK (Japan); Sunbeam Mexicana S.A. de C.V. (Mexico); Sunbeam-Oster de Acuna S.A. de C.V. (Mexico); Sunbeam-Oster de Matamoros S.A. de C.V. (Mexico); and Sunbeam-Oster International (FSC), Inc. (Barbados).

bags and stoves; coolers; backpacks; and portable generators and compressors. Sunbeam also operates 17 retail stores in the United States and Canada, which sell primarily Coleman brand products for retail sale to consumers.

3. Sunbeam's operations are managed through four groups:

Household, Outdoor Leisure, International and Corporate. The Household group includes the following segments:

- Appliances: Including mixers, blenders, food steamers, coffeemakers, toasters, irons and garment steamers.
- Health Products: Including vaporizers, humidifiers, massagers, hot and cold packs, blood pressure monitors and scales.
- Personal Care Products: Including professional clippers.
- Blankets: Including electric blankets, heated throws and mattress pads.
- Safety Products: Including smoke and carbon monoxide detectors, fire extinguishers and home safety equipment.

The Outdoor Leisure group includes the following segments:

- Outdoor Recreation Products: Including tents, sleeping bags, coolers, camping stoves, lanterns, frame backpacks and outdoor heaters.
- Outdoor Cooking Products: Including gas and charcoal outdoor grills and grill parts and accessories.
- Powermate Products: Including portable power generators and air compressors.
- Timberland Branded Products: Including adventure travel gear, backpacks, hard cases and luggage.

The International group includes the following regional subdivisions:

- Europe: Manufacture, sales and distribution of Campingaz® products, and sales and distribution in Europe, Africa and the Middle East of other Sunbeam Group products.
- Latin America: Manufacture, sales and distribution throughout Latin America of small appliances, and sales and distribution of personal care products, professional clippers and related products, camping products and Powermate products.
- Japan: Sales and distribution of primarily outdoor recreation products.
- Canada: Sales and distribution of substantially all of Sunbeam's products.
- East Asia: Sales and distribution in all areas of East Asia (other than Japan) of substantially all of Sunbeam's products.

The Corporate group provides management, accounting, legal, risk management, treasury, human resources, tax and management information services to all operating groups and also conducts Sunbeam's licensing activities.

4. For the fiscal year ended December 31, 1999, Sunbeam, on a consolidated basis, reported net sales of approximately \$2,398,000,000 and operating losses of approximately \$96,600,000. As of September 30, 2000, Sunbeam's consolidated books and records reflected assets totaling approximately \$2,959,863,000 and liabilities totaling approximately \$3,201,512,000. As of the Commencement Date, Sunbeam has approximately 10,900 full-time and part-time employees of which approximately 6,200 are employed in the United States. Sunbeam is party to collective bargaining agreements with its hourly employees located at its manufacturing plants in Aurora, Illinois and Bridgeview, Illinois. In addition, Sunbeam's production employees

in France and Italy and its employees in Mexico and Venezuela are represented by unions.

Major Institutional Debt Obligations of Sunbeam Corporation

5. As of the Commencement Date, Sunbeam Corporation and substantially all of the Subsidiaries, as guarantors (the “Subsidiary Guarantors”), are obligated, jointly and severally, in the aggregate amount of approximately \$1,665,000,000, pursuant to that certain senior secured credit facility, originally dated as of March 30, 1998 (as amended, modified and supplemented from time to time through and including the Commencement Date, and inclusive of all collateral, guarantee and other documents executed in connection with the senior secured credit facility, the “Prepetition Credit Facility”), among Sunbeam Corporation, as borrower, the Subsidiary Guarantors, as guarantors, and First Union National Bank, as agent and the lenders party thereto (collectively, the “Prepetition Lenders”).

6. Sunbeam Corporation’s and the Subsidiary Guarantors’ obligations to the Prepetition Lenders under the Prepetition Credit Facility are secured by a pledge of the stock of substantially all of the Subsidiaries and by liens on and security interests in substantially all of the assets of Sunbeam Corporation and the Subsidiary Guarantors.

7. In addition to its obligations under the Prepetition Credit Facility, Sunbeam Corporation issued Zero Coupon Convertible Senior Subordinated Debentures, due 2018 (the “Subordinated Notes”), pursuant to that certain indenture, dated as of March 25, 1998 (the “Subordinated Notes Indenture”). The Subordinated Notes accrue interest at a rate of 5% per annum. As of the Commencement Date, the accreted value of the Subordinated Notes (original issue price plus accrued interest) aggregates

approximately \$870,000,000. The Subordinated Notes are obligations of Sunbeam Corporation only and are unsecured. Pursuant to Article 10 of the Subordinated Notes Indenture, the Subordinated Notes and the claims of holders of Subordinated Notes (the “Subordinated Noteholders”) are contractually subordinate in right of payment to the payment in full of the claims of the Prepetition Lenders.

Agreement with Prepetition Lenders on Pre-Arranged Chapter 11 Plan

8. Prior to the Commencement Date, Sunbeam commenced negotiations with the Prepetition Lenders in an effort to reach agreement with respect to a consensual chapter 11 reorganization for Sunbeam Corporation and the Subsidiaries. Such negotiations have resulted in an agreement on the part of the Prepetition Lenders to support a pre-arranged plan of reorganization for Sunbeam Corporation (the “Plan”) and a separate pre-arranged joint plan of reorganization for the Subsidiaries (the “Subsidiaries Plan”).

9. Pursuant to the Plan, among other things, the claims of the Prepetition Lenders will be converted into (i) \$200,000,000 in new secured term debt of reorganized Sunbeam Corporation and \$600,000,000 of new secured convertible debt of reorganized Sunbeam Corporation (collectively, the “New Secured Debt”) and (ii) 100% of the outstanding common stock of reorganized Sunbeam Corporation. Because the enterprise value of Sunbeam is less than the claims of the Prepetition Lenders, all other creditors of Sunbeam Corporation and all holders of equity interests in Sunbeam Corporation will receive no recovery.

10. The Plan was filed with the Court on the date hereof. Sunbeam Corporation believes that the Plan and the Subsidiaries Plan (the “Plans”), collectively,

provide for a financial restructuring that will enable Sunbeam to more effectively and efficiently compete in the markets in which it operates. Sunbeam Corporation also believes that the financial restructuring proposed in the Plans can be accomplished on an expedited basis, with minimal disruption to business operations.

Jurisdiction

11. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This 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.

Retention of Zolfo Cooper, LLC

12. Sunbeam Corporation desires to employ the firm of Zolfo Cooper, LLC (“Zolfo Cooper”) to perform the necessary services described hereinafter as its Bankruptcy Consultants and Special Financial Advisors in this chapter 11 case pursuant to sections 327(a) and 328(a) of the Bankruptcy Code and the terms of that certain Engagement Letter dated January 9, 2001 (the “Engagement Letter”), a copy of which is annexed hereto as Exhibit A. The services of Zolfo Cooper are necessary in order to enable Sunbeam Corporation to execute its duties as debtor in possession. Zolfo Cooper’s familiarity with Sunbeam Corporation’s financial affairs, and the business and financial circumstances surrounding the commencement of this chapter 11 case, will minimize charges to Sunbeam Corporation’s estate for the services contemplated herein.

13. Zolfo Cooper is well-qualified to serve as Sunbeam Corporation’s bankruptcy consultants and special financial advisors. Zolfo Cooper’s professionals have assisted and advised, and provided strategic advice to, debtors, creditors, bondholders, investors and other entities in numerous chapter 11 cases of similar size to Sunbeam

Corporation's case. In particular, Zolfo Cooper and/or its principals recently have been involved in several chapter 11 cases, including Allegheny Health, Golden Ocean, Hedstrom Corporation, ICG Communications and Loewen Group.

14. On or about November 1, 2000, Sunbeam Corporation engaged Zolfo Cooper to: (i) advise and assist management in reviewing and challenging Sunbeam Corporation's cash-flow forecast, including the reasonableness of the assumptions underlying the forecast, and identifying, where possible, opportunities to improve cash flow, (ii) advise and assist management in developing Sunbeam Corporation's long-term business plan, including identifying strategies and tactics to improve Sunbeam Corporation's profitability, (iii) advise and assist management in developing a capital restructuring plan, (iv) advise and assist management in negotiating and implementing a capital restructuring with creditors and stakeholders, as necessary, (v) advise and assist management in negotiating and obtaining debtor in possession and exit financing, (vi) provide expert witness testimony, as requested by Sunbeam Corporation, and (vii) provide such other services as Sunbeam Corporation requested. Zolfo Cooper provided such services from the date of its engagement up to immediately prior to the Commencement Date.

15. Sunbeam Corporation has employed Zolfo Cooper as its financial advisors in connection with, among other things, the commencement and prosecution of its chapter 11 case and the formulation of its business plan and plan of reorganization. Sunbeam Corporation anticipates during the chapter 11 case that Zolfo Cooper will render financial advisory services to Sunbeam Corporation as described below. Such services are not duplicative in any manner with the services to be performed by Deloitte

& Touche LLP (“Deloitte & Touche”), the Sunbeam Corporation’s proposed independent auditors or Ernst & Young LLP (“Ernst & Young”), Sunbeam Corporation’s proposed accountants, or with services to be performed by Wasserstein Perella & Co. (“Wasserstein Perella”), Sunbeam Corporation’s proposed investment bankers. Zolfo Cooper will not be performing any traditional public accounting and auditing services, including the preparation of annual federal and state tax returns related to Sunbeam Corporation’s financial statements. Moreover, Zolfo Cooper, Deloitte & Touche, Ernst & Young and Wasserstein Perella will undertake every reasonable effort to avoid any duplication of services.

16. All of the services that Zolfo Cooper will provide to Sunbeam Corporation will be: (i) at the request of Sunbeam Corporation, (ii) appropriately directed by Sunbeam Corporation so as to avoid duplicative efforts among the professionals retained in the case and (iii) performed in accordance with applicable standards of the accounting profession. As more fully described in the Engagement Letter, the services to be provided by Zolfo Cooper in this case are presently anticipated to include the following:

- (a) Advise and assist management in organizing Sunbeam Corporation’s resources and activities so as to effectively and efficiently plan, coordinate and manage the chapter 11 process and interact with customers, lenders, suppliers, employees, shareholders and other parties in interest;
- (b) Assist management in designing and implementing programs to manage or divest assets, improve operations, reduce costs and restructure as necessary with the objective of rehabilitating the business;
- (c) Advise Sunbeam Corporation concerning interfacing with official committees, other constituencies and its professionals, including

the preparation of financial and operating information required by such parties and/or the Bankruptcy Court;

- (d) Advise and assist management in developing the Plan, the Subsidiaries Plan and underlying business plan, including the related assumptions and rationale, along with other information to be included in the disclosure statements;
- (e) Advise and assist Sunbeam Corporation in forecasting, planning, controlling and other aspects of managing cash, and, if necessary, obtaining debtor-in-possession financing, interim financing and/or exit financing;
- (f) Advise Sunbeam Corporation with respect to resolving disputes and otherwise managing the claims process;
- (g) Advise and assist Sunbeam Corporation in negotiating the Plan and the Subsidiaries Plan with the various creditor and other constituencies;
- (h) As requested, render expert testimony concerning the feasibility of the Plan, the Subsidiaries Plan and other matters that may arise in the case; and
- (i) Provide such other services as may be required by Sunbeam Corporation.

17. Zolfo Cooper's decision to accept this engagement to advise and assist Sunbeam Corporation is contingent upon its ability to be retained in accordance with its customary terms and conditions of employment and compensated for its services and reimbursed for the out-of-pocket expenses it incurs in accordance with its customary billing practices which are outlined in the appended Affidavit of Stephen F. Cooper (the "Cooper Affidavit") filed in support of this Application.

18. Zolfo Cooper also has received as a retainer fee for services to be performed in the prosecution of this chapter 11 case in the sum of \$500,000, which will be applied, together with the remaining advance for expenses and any credit to Sunbeam

Corporation, to such allowances of compensation and reimbursement of expenses as may be granted by the Court.

19. Moreover, pursuant to the Engagement Letter, subject to the approval of this Court, Sunbeam Corporation has agreed to indemnify Zolfo Cooper from and against any actions or claims brought by any party in connection with Zolfo Cooper's engagement by Sunbeam Corporation, other than claims for bad faith, gross negligence and willful misconduct. Sunbeam Corporation submits that such indemnification is standard in the specialized financial advisory industry and that the provision of such indemnification by Sunbeam Corporation is fair and reasonable considering Zolfo Cooper's qualifications and the expectations of other special financial advisors in connection with engagements of this scope and size. Accordingly, as part of this Application, Sunbeam Corporation requests that the Court approve Zolfo Cooper's terms of engagement as set forth in the Engagement Letter.

20. To the extent of any conflict between the Engagement Letter on the one hand and this Application or the annexed Cooper Affidavit on the other hand, once approved by this Court, the Engagement Letter shall govern.

21. Pursuant to sections 330 and 331 of the Bankruptcy Code, applicable Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules"), local rules and orders of the Court (the "Local Rules"), the terms of the Engagement Letter and procedures such as may be fixed by order of the Court, Zolfo Cooper will seek interim and final allowance of compensation and reimbursement of expenses.

22. In connection with applications for allowance of its monthly fees and expenses in respect of its services, Zolfo Cooper will comply with sections 330 and

331 of the Bankruptcy Code, applicable Bankruptcy Rules, Local Rules, the terms of the Engagement Letter and procedures such as may be fixed by order of the Court, in seeking allowance of interim and final compensation for the rendering of its services.

Specifically, Zolfo Cooper will maintain time records of its professionals and provide a description of the efforts devoted by them in rendering the services in 1/10th of an hour increments.

23. To the best of Sunbeam Corporation's knowledge, information and belief, Zolfo Cooper has no connection with, and holds no interest adverse to, Sunbeam Corporation, its estate, its creditors or any other party in interest, or its respective attorneys or accountants in the matters for which Zolfo Cooper is proposed to be retained, except as disclosed in the Cooper Affidavit.

24. Zolfo Cooper is a "disinterested person", as such term is defined in section 101(14) of the Bankruptcy Code and as required under section 327(a) of the Bankruptcy Code. The Cooper Affidavit, executed on behalf of Zolfo Cooper in accordance with section 327 of the Bankruptcy Code and Bankruptcy Rule 2014, is filed contemporaneously herewith and incorporated herein by reference. Sunbeam Corporation's knowledge, information and belief regarding the matters set forth in this Application are based, and made in reliance, upon the Cooper Affidavit.

25. Sunbeam Corporation submits that the appointment of Zolfo Cooper on the terms and conditions set forth herein and the Engagement Letter is in the best interest of Sunbeam Corporation, its creditors and all parties in interest.

26. No trustee, examiner or creditors' committee has been appointed in Sunbeam Corporation's chapter 11 case. Notice of this Application has been provided to

the United States Trustee for the Southern District of New York, attorneys for the Prepetition Lenders and attorneys for Sunbeam Corporation's proposed postpetition lenders. Sunbeam Corporation submits that no other or further notice need be provided.

27. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented herein, Sunbeam Corporation respectfully requests that the Court waive the requirement that Sunbeam Corporation file a memorandum of law in support of this Application.

28. No previous Application for the relief sought herein has been made to this or any other court.

WHEREFORE Sunbeam Corporation respectfully requests entry of an order granting the relief requested herein and such other and further relief as is just.

Dated: New York, New York
February 6, 2001

SUNBEAM CORPORATION

By: /s/ Bobby G. Jenkins
Bobby G. Jenkins
Executive Vice President and
Chief Financial Officer

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

_____X
: **Chapter 11 Case No.**
: **In re**
: **SUNBEAM CORPORATION,**
: **01-____ (____)**
: **Debtor.**
: _____X

**AFFIDAVIT OF ZOLFO COOPER, LLC AND
DISCLOSURE STATEMENT PURSUANT TO BANKRUPTCY CODE
SECTIONS 327, 328(a), 329 AND 504 AND FEDERAL
RULES OF BANKRUPTCY PROCEDURE 2014(a) AND 2016(b)**

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

STEPHEN F. COOPER, being duly sworn according to law, upon his oath,
deposes and says:

1. I am a member of the firm Zolfo Cooper, LLC (either Zolfo Cooper, LLC or an affiliate thereof, "ZC" or the "Firm"), which has offices in New York, New Jersey and California.

2. This affidavit is being submitted in connection with the proposed retention of ZC as Bankruptcy Consultants and Special Financial Advisors to the Debtors to perform services as set forth hereinafter.

3. To the best of my knowledge and belief, insofar as I have been able to ascertain after due inquiry, none of the members or employees of ZC is related to Sunbeam Corporation, debtor and debtor-in-possession, the affiliates of Sunbeam

Corporation that have commenced chapter 11 cases (collectively, the “Debtors” or “Sunbeam”), their creditors, other parties in interest herein, or the United States Trustee or anyone employed in the Office of the United States Trustee, or holds or represents any interest adverse to any such party, except that ZC is connected with the Debtors by virtue of this engagement and ZC may represent or have represented certain of the Debtors’ creditors or other parties in interest herein, or interests adverse to such creditors or other parties in interest herein, in matters unrelated to these cases.

4. In connection with its proposed retention by the Debtors in these cases, ZC undertook to determine whether it had any conflicts or other relationships that might bear on its retention. Prior to 1995, ZC did not maintain a formal database of completed assignments listing its former clients’ affiliates, officers, directors, principal shareholders and their respective affiliates. Consequently, ZC researched its client files and records which contain information retained under its normal record retention policies, and, based upon its research, constructed a database of entities for which ZC had performed services during the prior five years (the “Client Database”). ZC has since maintained the Client Database and expanded it to include entities for which ZC performed services subsequently.

5. It should be understood that ZC’s former clients and their affiliates, officers, directors, principal shareholders and their respective affiliates may have had relationships with parties in interest in these bankruptcy cases of which ZC was not informed or, subsequent to the performance of ZC’s services, may have developed relationships with such parties of which ZC is unaware. Moreover, the client files and records from which the Client Database was developed initially were not designed for the

purpose of documenting client relationships. In addition, such files and records, at a previous time, may have contained pertinent information that was subsequently disposed of in accordance with our normal record retention policy. Therefore, the Client Database may omit certain relationships that satisfy the criteria set forth above.

6. In addition to ZC's former clients and their affiliates, officers, directors, principal shareholders and their respective affiliates, the Client Database includes the limited partners, investees, and their respective affiliates that are known to ZC, of Catalyst Equity Fund, LP (the "Fund"), a Delaware limited partnership that invests in middle market businesses that are not performing to their full potential, primarily financially distressed companies. The Fund's general partner, Catalyst Equity Fund Partners, LLC ("CEFP"), a Delaware limited liability company, is majority-owned by CFL Capital, LLC ("CFL"), a New Jersey limited liability company that is controlled (through limited partnerships under their control) by Stephen F. Cooper, Michael E. France and Leonard J. LoBiondo, who are partners and principals of ZC. The limited partners, consisting of large financial institutions, funds and sophisticated individual investors and investment trusts, are passive investors in the Fund that are not required to disclose to the Fund, CEFP, CFL or ZC their holdings or interests. Accordingly, they may own interests in or otherwise be connected to the Debtors, the Debtors' creditors, other parties in interest herein or interests adverse to such parties of which the Fund, CEFP, CFL and ZC are not aware. The limited partners are the following entities or affiliates thereof: BancBoston, William R. Berkley, Chase, Citibank, N.A., Cramer Rosenthal McGlynn, Inc., CRM 20/20 Fund, LLC, Duane Morris & Heckscher, LLP, David Dillard, The Zuckerman Children's Trust, First Union National Bank, Michael

Fuchs, General Electric Capital Corporation, RS Catalyst Limited Partnership, R & M Catalyst Investors, Hexagon Investments, Inc., Robert J. Higgins, ING Barings (U.S.) Capital Corporation, Lexington Partners-Hamilton Lane 2000, LLC, Robert Martin, Hoyt C. Murray, John E. O'Connor, James A. Paduano, the Pergament Family, Edwin Roland, Nicholas J. and Julie Sakellariadis, David Supino, Linda J. Pohs, John R. Tillotson, Lad Equity Partners, L.P., P.E. Partners, LLC, and Travelers Insurance Group.

7. To the best of ZC's knowledge and belief, except as set forth in Schedule 1 to this affidavit, none of ZC's former clients (including their affiliates, officers, directors, principal shareholders and their respective affiliates) or the limited partners or investees (including their respective affiliates that are known to ZC) of the Fund (other than First Union National Bank and General Electric Capital Corporation) is connected to the entities listed below, other parties in interest herein or interests adverse to such parties:

- (a) the Debtors and their affiliates;
- (b) the Debtors' officers and directors;
- (c) the 20 largest unsecured creditors of each Debtor;
- (d) parties to significant litigation with the Debtors;
- (e) the attorneys, accountants and investment bankers that the Debtors have sought authority to employ in these chapter 11 cases, pursuant to applications filed on the Petition Date;
- (f) material secured lenders; and
- (g) material unsecured bank lenders.

8. On or about November 1, 2000, the Debtors engaged ZC to: (i) advise and assist management in reviewing and challenging the Debtors' cash-flow forecast, including the reasonableness of the assumptions underlying the forecast, and identifying, where possible, opportunities to improve cash flow, (ii) advise and assist management in

developing the Debtors' long-term business plan, including identifying strategies and tactics to improve the Debtors' profitability, (iii) advise and assist management in developing a capital restructuring plan, (iv) advise and assist management in negotiating and implementing a capital restructuring with creditors and stakeholders, as necessary, (v) advise and assist management in negotiating and obtaining debtor in possession and exit financing, (vi) provide expert witness testimony, as requested by the Debtors, and (vii) provide such other services as the Debtors requested. ZC provided such services from the date of its engagement up to immediately prior to the filing of the chapter 11 petitions.

9. The Debtors primary business is the manufacturing, marketing and distribution of durable household and outdoor leisure consumer products through mass market and other consumer channels in the United States and internationally. Sunbeam also sells its products to professionals and commercial end users such as small businesses. Sunbeam's principal products include household kitchen appliances; health monitoring and care products for home use; scales for professional and business uses; electric blankets and throws; clippers and trimmers for consumer, professional and animal uses; smoke and carbon monoxide detectors; outdoor barbecue grills; camping equipment, including tents, lanterns, sleeping bags and stoves; coolers; backpacks; and portable generators and compressors. In addition, Sunbeam is in the process of developing home linking technology, which is designed to allow consumer products manufactured by Sunbeam to communicate with each other. Sunbeam also operates 17 retail stores in the United States and Canada, which sell primarily Coleman brand products for retail sale to consumers.

10. The Debtors are very large, complex enterprises, that employ approximately 10,900 personnel. For the fiscal year ended December 31, 1999, Sunbeam, on a consolidated basis, reported net sales of approximately \$2,398,000,000 and operating losses of approximately \$96,600,000. As of September 30, 2000, Sunbeam's consolidated books and records reflected assets totaling approximately \$2,959,863,000 and liabilities totaling approximately \$3,201,512,000. Accordingly, the Debtors require the services of experienced Bankruptcy Consultants and Special Financial Advisors to assist them in rehabilitating the business and developing, negotiating and confirming plans of reorganization. Because of ZC's expertise and experience at a national level in providing reorganization, accounting and a broad range of consulting services to Debtors and other parties in interest in financially complex troubled situations, the Debtors have requested that ZC provide such services to them.

11. ZC has agreed to provide assistance to the Debtors in accordance with the terms and conditions set forth herein, in the Debtors' Application to employ ZC and in the Engagement Letter which is appended hereto as Exhibit "A" and incorporated herein by reference. Accordingly, I make this Affidavit in support of an order authorizing such retention.

12. All the services that the Firm will provide to the Debtors will be (i) at the request of the Debtors, (ii) appropriately directed by the Debtors so as to avoid duplicative efforts among the professionals retained in the case and (iii) performed in accordance with applicable standards of the accounting profession. It is presently anticipated that ZC will provide the following services:

- (a) Advise and assist management in organizing the Debtors' resources and activities so as to effectively and efficiently plan, coordinate and manage the chapter 11 process and interact with customers, lenders, suppliers, employees, shareholders and other parties in interest;
- (b) Assist management in designing and implementing programs to manage or divest assets, improve operations, reduce costs and restructure as necessary with the objective of rehabilitating the business;
- (c) Advise the Debtors concerning interfacing with Official Committees, other constituencies and their professionals, including the preparation of financial and operating information required by such parties and/or the Bankruptcy Court;
- (d) Advise and assist the Debtors in forecasting, planning, controlling and other aspects of managing cash;
- (e) As requested, render expert testimony concerning the feasibility of a Plan of Reorganization and other matters that may arise in the case; and
- (f) Provide such other services as may be required by the Debtors.

Qualifications

13. As a nationally recognized independent financial advisory and consulting firm specializing in advising debtors, creditors, investors and court-appointed officials in formal bankruptcy proceedings and out-of-court workouts, ZC has significant qualifications and experience in these matters. ZC has a reputation for quality and breadth of experience, and a proven track record for success, earned by serving clients in numerous nationally prominent bankruptcy proceedings. A statement setting forth the Firm's qualifications is attached hereto as Exhibit "B."

Staffing and Approach

14. A substantial portion of ZC's work is advisory and involves ZC's professionals counseling senior client personnel regarding high-level strategic and tactical issues. Consistent with its relatively unique practice, ZC's staff consists

primarily of seasoned professionals. A typical new employee at the Firm is a former “Big 5” partner or manager frequently with from five to more than seven years of experience. Indeed, more than 50% of ZC’s professionals have in excess of ten years of relevant business experience. Both the Firm’s internal structure and work approach are designed around its unusual staff composition of senior professionals. ZC staff professionals do not have titles; the title member at ZC is a legal distinction, not a distinction of professional proficiency. Individual staff members are assigned project manager or project staff roles, to bring to bear their particular talents and experience in view of the specific requirements of the engagement. ZC provides high value for its fees, efficiently leveraging its experienced professionals by directing client personnel to perform routine tasks.

15. Stephen F. Cooper, CPA, CMA, CMC, CIRA, the member who will be responsible for this engagement, has over 30 years of experience, primarily in dealing with troubled companies. He has gained significant experience in production, marketing, and sales as well as accounting and finance across a broad industry base. A graduate of Occidental College and a Wharton MBA, Mr. Cooper enjoys a national reputation as an effective problem solver capable of forging consensual coalitions among parties with disparate economic interests. He will be responsible for the overall design of the Firm’s services and direction of the engagement team. Mr. Cooper will be assisted by Jonathon A. Mitchell, who will be responsible for all aspects of engagement administration and the coordination of the efforts of the assigned staff. Mr. Mitchell has more than 25 years of diversified business and professional experience. He is a business planning and financial restructuring specialist.

16. Integral to any team approach, and essential to minimize misunderstandings and assure continuity of service in a large, multifaceted case such as this one, are conferences, meetings and worksessions among the members of the engagement team. Ongoing communications and review of workproduct facilitate the sharing of information and assure continued alignment with established priorities and objectives, thereby reducing the time expended and avoiding duplicative efforts. ZC communicates continually with its clients on the status and results of its work efforts and interfaces with other professionals to improve coordination and ensure that it does not duplicate services rendered by other professionals retained in the case.

Billing Practices

17. It is the intention of ZC to seek compensation for its services as described herein and in the Debtors' application in accordance with its customary practices and in accordance with the guidelines of this Court. ZC charges fees based on actual hours expended to perform its services at standard hourly rates established for each member, principal and employee, as adjusted semi-annually and are next scheduled to be revised effective July 1, 2001. It is the customary practice of the Firm to bill clients for travel time consistent with the guidelines of the jurisdiction. Time entries are recorded in six minute increments. Fees reflect economies resulting from the use of paraprofessional and support personnel to develop schedules and analyses, input computer data, perform research, work on fee applications, and other activities necessary to the efficient administration of a case. So as not to burden clients who do not require such services, ZC does not include support services in the Firm's overhead for the purpose of establishing billing rates. Billing rates are generally representative of prevailing market

rates, as awarded by other Courts in similar circumstances, for practitioners providing such services at a national level who have comparable skill and experience. The billing rates for professionals and other personnel who may be assigned to this engagement in effect as of January 1, 2001 are as follows:

	<u>Hourly Rates</u>
Principals/Members	\$450 - \$595
Professional Staff	\$125 - \$440
Support Personnel	\$75 - \$200.

18. ZC charges its clients only for reasonably incurred, out-of-pocket expenses associated with an assignment including, but not limited to, costs of reproduction, typing, our legal counsel, any applicable state sales or excise taxes and other direct expenses. Except as necessary to comply with an applicable Administrative Order, all such expense billings are in accordance with the Firm's customary practices. ZC personnel stay at convenient, quality hotels and eat at quality restaurants; ZC does not incur costs for luxury accommodations or deluxe meals and when prohibited by applicable Administrative Order does not bill clients for first class airfare. Except as follows, all expenses will be billed at actual cost, exclusive of amortization of the cost of any investment, equipment or capital outlay: (i) internal charges for facsimile transmissions will be billed at \$2.00 per page; (ii) internal photocopy charges will be billed at \$.30 per page; and (iii) computer modeling charges will be billed at standard hourly rates.

19. ZC maintains contemporaneous records of the time expended and out-of-pocket expenses incurred in support of its billings for services. All such records are

located in the Firm's offices and are available for inspection, subject to certain matters contained therein that may be privileged.

20. ZC has received a retainer from the Debtors in the amount of \$500,000, less application of any outstanding prepetition fees and expenses. The balance is to be held subject to further order by the Bankruptcy Court.

/s/ Stephen F. Cooper
Stephen F. Cooper

Sworn and subscribed to
before me this 31st day
of January, 2001

/s/ Michael A. Decubellis
Notary Public

Notary Public, State of New York
No. 01DE6026042
Qualified in New York County
Commission Expires June 7, 2001

June 28, 2002

Sunbeam Corporation
2381 Executive Center Drive
Boca Raton, Florida 33431

Attention: Ron Richter
Treasurer

Ladies and Gentlemen

Reference is made to the Revolving Credit and Guarantee Agreement, dated as of February 6, 2001 (as heretofore amended, supplemented or otherwise modified, the "DIP Credit Agreement"), among Sunbeam Corporation, the subsidiaries party thereto, the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders") and Wachovia Bank, National Association (formerly known as First Union National Bank), as administrative agent for the Lenders. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the DIP Credit Agreement.

Pursuant to Section 8.23 of the DIP Credit Agreement, the Debtor Loan Parties are required to continue the retention of a financial advisor satisfactory to the Required Lenders. The undersigned Lenders hereby agree that Zolfo Cooper, LLC, as financial advisor to the Debtor Loan Parties, shall no longer be required to be retained by the Debtor Loan Parties and subject to the next proviso, the Debtors need not retain a financial advisor; provided, however, that the Lenders reserve the right to require the retention of a financial advisor satisfactory to the Required Lenders at such time as the Required Lenders shall, in their sole discretion, deem necessary.

This letter shall be governed by, and construed in accordance with, the laws of the State of New York. This letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this letter by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

Please confirm that the foregoing is our mutual understanding by signing and returning to us an executed counterpart of this letter.

Very truly yours,

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Administrative Agent
and as a Lender

By: Joel Thomas
Name: Joel Thomas
Title: Vice President

MORGAN STANLEY SENIOR
FUNDING, INC., as a Lender

By: _____
Name:
Title:

BANK OF AMERICA, N.A., as a Lender

By: _____
Name:
Title:

Accepted and agreed to as of
the date first written above by:

Borrower:

SUNBEAM CORPORATION

By: _____
Name:
Title:


Please confirm that the foregoing is our mutual understanding by signing and returning to us an executed counterpart of this letter.

Very truly yours,

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Administrative Agent
and as a Lender

By: _____
Name:
Title:

MORGAN STANLEY SENIOR
FUNDING, INC., as a Lender

By:  _____
Name:
Title: **DEBORAH DEBANTIS**

VICE PRESIDENT
BANK OF AMERICA, N.A., as a Lender

By: _____
Name:
Title:

Accepted and agreed to as of
the date first written above by:

Borrower:

SUNBEAM CORPORATION

By: _____
Name:
Title:

Please confirm that the foregoing is our mutual understanding by signing and returning to us an executed counterpart of this letter.

Very truly yours,

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Administrative Agent
and as a Lender

By: _____
Name:
Title:

MORGAN STANLEY SENIOR
FUNDING, INC., as a Lender

By: _____
Name:
Title:

BANK OF AMERICA, N.A., as a Lender

By: H.W. Wheelock
Name:
Title: **H.W. WHEELOCK
MANAGING DIRECTOR**

Accepted and agreed to as of
the date first written above by:

Borrower:

SUNBEAM CORPORATION

By: _____
Name:
Title:

Please confirm that the foregoing is our mutual understanding by signing and returning to us an executed counterpart of this letter.

Very truly yours,

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Administrative Agent
and as a Lender

By: _____
Name:
Title:

MORGAN STANLEY SENIOR
FUNDING, INC., as a Lender

By: _____
Name:
Title:


BANK OF AMERICA, N.A., as a Lender

By: _____
Name:
Title:

Accepted and agreed to as of
the date first written above by:

Borrower:

SUNBEAM CORPORATION

By: 
Name:
Title:

Dehtor Guarantors:

AI REALTY MARKETING OF NEW YORK, INC.
 BEACON EXPORTS, INC.
 BRK BRANDS, INC.
 CC OUTLET, INC.
 CMO, INC.
 COLEMAN ARGENTINA, INC.
 COLEMAN INTERNATIONAL HOLDINGS, LLC
 COLEMAN POWERMATE, INC.
 COLEMAN PUERTO RICO, INC.
 COLEMAN VENTURE CAPITAL, INC.
 COLEMAN WORLDWIDE CORPORATION
 DDG I, INC.
 FAMILY GARD, INC.
 FIRST ALERT, INC.
 GENERAL ARCHERY INDUSTRIES, INC.
 GHI I, INC.
 JGK, INC.
 KAIMONA, INC.
 KANSAS ACQUISITION CORP.
 L.A. SERVICES, INC.
 LASER ACQUISITION CORP.
 NIPPON COLEMAN, INC.
 PACKS & TRAVEL CORPORATION
 PEARSON HOLDINGS INCORPORATED
 PH III, INC.
 RIVER VIEW CORPORATION OF BARLING, INC.
 SI II, INC.
 SIERRA CORPORATION OF FORT SMITH, INC.
 SUNBEAM AMERICAS HOLDINGS, LIMITED
 SUNBEAM HEALTH & SAFETY COMPANY
 SUNBEAM LATIN AMERICA, LLC
 SUNBEAM PRODUCTS, INC.
 SUNBEAM SERVICES, INC.
 SURVIVAL GEAR, INC.
 THALIA PRODUCTS INC.
 THE COLEMAN COMPANY, INC.
 THE-FA IP CORP.
 VERO DUNES VENTURER, INC.
 WOODCRAFT EQUIPMENT COMPANY

By: 

Name:

Title:

**FINAL APPLICATION OF ZOLFO COOPER, LLC
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AS SPECIAL FINANCIAL ADVISORS AND BANKRUPTCY CONSULTANTS
TO THE DEBTORS
AND FOR REIMBURSEMENT OF EXPENSES UNDER 11 U.S.C. § 330 (a)**

EXHIBIT B

Copies of Zolfo Cooper, LLC invoices for 5 months during the Application Period and respective court order establishing procedures for monthly compensation and reimbursement of expenses for professionals.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND 331
ESTABLISHING PROCEDURES FOR MONTHLY COMPENSATION
AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

Upon the motion dated February 6, 2001 (the "Motion") of Sunbeam Corporation, as debtor in possession, for an order, pursuant to the standing General Order of the Bankruptcy Court for the Southern District of New York, signed on January 24, 2000 by former Chief Judge Tina L. Brozman (the "Standing Order") and pursuant to sections 105(a) and 331 of title 11 of the United States Code (the "Bankruptcy Code"), establishing procedures for monthly compensation and reimbursement of expenses of professionals retained by order of this Court; and this Court having determined that the relief requested in the Motion is in the best interests of Sunbeam Corporation, its estate, and creditors; and it appearing that due notice of the Motion has been provided to the Office of the United States Trustee for the Southern District of New York, attorneys for Sunbeam Corporation's prepetition senior lenders, attorneys for Sunbeam Corporation's proposed postpetition lenders, Sunbeam Corporation's 30 largest unsecured creditors and attorneys for the official committee of unsecured creditors, and that no other or further notice need be provided; and it further appearing that the relief requested in the Motion is in the best interests of Sunbeam Corporation and its estate and creditors; and upon all of

the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that except as may otherwise be provided in Court orders authorizing the retention of specific professionals, all professionals in these cases may seek monthly compensation in accordance with the following procedure:

- (a) On or before the twentieth (20th) day of each month following the month for which compensation is sought, each professional seeking compensation under this Motion will serve a monthly statement, by hand or overnight delivery on (i) Steven R. Isko, Esq., the officer designated by Sunbeam Corporation to be responsible for such matters; (ii) Weil Gotshal & Manges LLP, the attorneys for Sunbeam Corporation; (iii) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Paul K. Schwartzberg, Esq.); (iv) Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, New York 10019 (Attn: Chaim J. Fortgang) and Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017 (Attn: Steven M. Fuhrman, Esq.), counsel to the prepetition lenders and the postpetition lenders; and (v) the attorneys for the statutory committee of unsecured creditors once appointed;
- (b) The monthly statement shall be filed with the Court and a courtesy copy delivered to the presiding judge's chambers;

- (c) Each monthly fee statement must contain a list of the individuals and their respective titles (e.g. attorney, accountant, or paralegal) who provided services during the statement period, their respective billing rates, the aggregate hours spent by each individual, a reasonably detailed breakdown of the disbursements incurred (No professional should seek reimbursement of an expense which would otherwise not be allowed pursuant to the Court's Administrative Orders dated June 24, 1991 and April 21, 1995 or the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 dated January 30, 1996.), and contemporaneously maintained time entries for each individual in increments of tenths (1/10) of an hour;
- (d) Each person receiving a statement will have at least fifteen (15) days after its receipt to review it and, in the event that he or she has an objection to the compensation or reimbursement sought in a particular statement, he or she shall, by no later than the thirty-fifth (35th) day following the month for which compensation is sought, serve upon the professional whose statement is objected to, and the other persons designated to receive statements in paragraph (a), a written "Notice Of Objection To Fee Statement," setting forth the nature of the objection and the amount of fees or expenses at issue;

- (e) At the expiration of the thirty-five (35) day period, Sunbeam Corporation shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified in each monthly statement to which no objection has been served in accordance with paragraph (d);
- (f) If Sunbeam Corporation receives an objection to a particular fee statement, it shall withhold payment of that portion of the fee statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth in paragraph (e);
- (g) Similarly, if the parties to an objection are able to resolve their dispute following the service of a Notice Of Objection To Fee Statement and if the party whose statement was objected to serves on all of the parties listed in paragraph (a) a statement indicating that the objection is withdrawn and describing in detail the terms of the resolution, then Sunbeam Corporation shall promptly pay, in accordance with paragraph (e), that portion of the fee statement which is no longer subject to an objection;
- (h) All objections that are not resolved by the parties, shall be preserved and presented to the Court at the next interim or final fee application hearing to be heard by the Court (See paragraph (j), below);

- (i) The service of an objection in accordance with paragraph (d) shall not prejudice the objecting party's right to object to any fee application made to the Court in accordance with the Code on any ground whether raised in the objection or not. Furthermore, the decision by any party not to object to a fee statement shall not be a waiver of any kind or prejudice that party's right to object to any fee application subsequently made to the Court in accordance with the Code;
- (j) Approximately every 120 days, but no more than every 150 days, each of the professionals shall serve and file with the Court an application for interim or final Court approval and allowance, pursuant to sections 330 and 331 of the Bankruptcy Code (as the case may be) of the compensation and reimbursement of expenses requested;
- (k) Any professional who fails to file an application seeking approval of compensation and expenses previously paid under this Order when due shall (1) be ineligible to receive further monthly payments of fees or expenses as provided herein until further order of the Court and (2) may be required to disgorge any fees paid since retention or the last fee application, whichever is later;
- (l) The pendency of an application or a Court order that payment of compensation or reimbursement of expenses was improper as to a particular statement shall not disqualify a professional from the

future payment of compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court;

- (m) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall have any effect on this Court's interim or final allowance of compensation and reimbursement of expenses of any professionals; and
- (n) Counsel for each official committee may, in accordance with the foregoing procedure for monthly compensation and reimbursement of professionals, collect and submit statements of expenses, with supporting vouchers, from members of the committee he or she represents; provided, however, that such committee counsel ensures that these reimbursement requests comply with this Court's Administrative Orders dated June 24, 1991 and April 21, 1995;

and it is further

ORDERED that each professional may seek, in its first request for compensation and reimbursement of expenses pursuant to this Order, compensation for work performed and reimbursement for expenses incurred during the period beginning on the date of the professional's retention and ending on February 28, 2001; and it is further

ORDERED that Sunbeam Corporation shall include all payments to professionals on their monthly operating reports, detailed so as to state the amount paid to each of the professionals; and it is further

ORDERED that any party may object to requests for payments made pursuant to this Order on the grounds that Sunbeam Corporation has not timely filed monthly operating reports, remained current with their administrative expenses and 28 U.S.C. § 1930 fees, or a manifest exigency exists by seeking a further order of this Court, otherwise, this Order shall continue and shall remain in effect during the pendency of this case; and it is further

ORDERED that all time periods set forth in this Order shall be calculated in accordance with Federal Rule of Bankruptcy Procedure 9006(a); and it is further

ORDERED that any and all other and further notice of the relief requested in the Motion shall be, and hereby is, dispensed with and waived; provided, however, that Sunbeam Corporation must serve a copy of this Order on all entities specified in paragraph (a) of the first decretal paragraph hereof.

Dated: New York, New York
February 27, 2001

s/Arthur J. Gonzalez
UNITED STATES BANKRUPTCY JUDGE

Zolfo Cooper, LLC

101 Eisenhower Parkway, Roseland, NJ 07068, (973) 618-5100 Fax (973) 618-9430

April 30, 2002

Mr. Bobby Jenkins
CFO
Sunbeam Corporation
2381 Executive Center Drive
Boca Raton, Florida 33431

Dear Bobby:

Attached is our invoice for consulting services rendered with respect to Sunbeam Corporation Ch. 11 for the month ended April 30, 2002.

If there are any questions regarding this invoice, please contact Stephen Cooper or Jonathan Mitchell at (212) 213-5555.

Respectfully submitted,



Zolfo Cooper, LLC

cc: Steven R. Isko Esq.
2381 Executive Center Drive
Boca Raton, Florida 33431

Zolfo Cooper, LLC

101 Eisenhower Parkway, Roseland, NJ 07068, (973) 618-5100 Fax (973) 618-9430

Mr. Bobby Jenkins
CFO
Sunbeam Corporation
2381 Executive Center Drive
Boca Raton, FL 33431

April 30, 2002

PLEASE REMIT TO OUR NEW JERSEY OFFICE

E.I.N. 22-2689479

INVOICE NO : 0000722

For consulting services rendered with respect to Sunbeam Corporation for the month ended April 30, 2002.

Professional Fees:	\$1,757.50
Total Current Fees:	<u>1,757.50</u>
Less Current Holdback	(351.50)
Net Fees - Current Month	<u>1,406.00</u>
Out-Of-Pocket & Direct Expenses:	28.41
Invoice Total	<u><u>\$1,434.41</u></u>

See Attached Schedules

SCHEDULE A
PROFESSIONAL FEES

<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>PROFESSIONAL FEES</u>
Jonathan Mitchell	475.00	3.70	1,757.50
Total Professional Fees:		<u>3.70</u>	<u>\$1,757.50</u>

SCHEDULE C

OUT-OF POCKET & DIRECT EXPENSES

Direct Charges	11.31
Copy Charges	17.10
Total Out-of- Pocket & Direct Expenses	<u><u>\$28.41</u></u>

Zolfo Cooper, LLC

101 Eisenhower Parkway, Roseland, NJ 07068, (973) 618-5100 Fax (973) 618-9430

May 31, 2002

Mr. Bobby Jenkins
CFO
Sunbeam Corporation
2381 Executive Center Drive
Boca Raton, Florida 33431

Dear Bobby:

Attached is our invoice for consulting services rendered with respect to Sunbeam Corporation Ch. 11 for the month ended May 31, 2002.

If there are any questions regarding this invoice, please contact Stephen Cooper or Jonathan Mitchell at (212) 213-5555.

Respectfully submitted,



Zolfo Cooper, LLC

cc: Steven R. Isko Esq.
2381 Executive Center Drive
Boca Raton, Florida 33431

Zolfo Cooper, LLC

101 Eisenhower Parkway, Roseland, NJ 07068, (973) 618-5100 Fax (973) 618-9430

Mr. Bobby Jenkins
CFO
Sunbeam Corporation
2381 Executive Center Drive
Boca Raton, FL 33431

May 31, 2002

PLEASE REMIT TO OUR NEW JERSEY OFFICE

E.I.N. 22-2689479

INVOICE NO : 0000766

For consulting services rendered with respect to Sunbeam Corporation for the month ended May 31, 2002.

Expenses & Other Fees:	60.19
Invoice Total	<u>60.19</u>

See Attached Schedules

EXPENSES & OTHER FEES

Direct Charges	45.19
Copy Charges	15.00
Total Expenses & Other Fees	<u><u>\$60.19</u></u>

Zolfo Cooper, LLC

101 Eisenhower Parkway, Roseland, NJ 07068, (973) 618-5100 Fax (973) 618-9430

July 31, 2002

Mr. Bobby Jenkins
CFO
Sunbeam Corporation
2381 Executive Center Drive
Boca Raton, Florida 33431

Dear Bobby:

Attached is our invoice for consulting services rendered with respect to Sunbeam Corporation Ch. 11 for the month ended July 31, 2002.

If there are any questions regarding this invoice, please contact Stephen Cooper or Jonathan Mitchell at (212) 213-5555.

Respectfully submitted,

Zolfo Cooper, LLC

Zolfo Cooper, LLC

cc: Steven R. Isko Esq.
2381 Executive Center Drive
Boca Raton, Florida 33431

Zolfo Cooper, LLC

101 Eisenhower Parkway, Roseland, NJ 07068, (973) 618-5100 Fax (973) 618-9430

Mr. Bobby Jenkins
CFO
Sunbeam Corporation
2381 Executive Center Drive
Boca Raton, FL 33431

July 31, 2002

PLEASE REMIT TO OUR NEW JERSEY OFFICE

E.I.N. 22-2689479

INVOICE NO : 0000842

For consulting services rendered with respect to Sunbeam Corporation for the month ended July 31, 2002.

Professional Fees:	\$4,130.00
Paraprofessional Fees:	9.50
Total Current Fees:	<u>4,139.50</u>
Less Current Holdback	(827.90)
Net Fees - Current Month	<u>3,311.60</u>
Invoice Total	<u><u>\$3,311.60</u></u>

See Attached Schedules

PROFESSIONAL FEES

<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>PROFESSIONAL FEES</u>
Jonathan Mitchell	475.00	2.80	1,330.00
Glenn Sniezek	350.00	8.00	2,800.00
Total Professional Fees:		<u>10.80</u>	<u>\$4,130.00</u>

PARAPROFESSIONAL AND SUPPORT FEES

<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>PARAPROFESSIONAL & SUPPORT FEES</u>
Dawn Gilligan	\$95	0.10	9.50
Total Paraprofessional and Support Fees:		<u>0.10</u>	<u>\$9.50</u>

Sunbeam Corporation
 Exhibit C
 Summary of Professional Fees by Project, by Professional
 March 1, 2002 - July 31, 2002

	Rate	Chapter 11 Process Project 1		Business Operations Project 2		Case Administration Project 3		Business Plan Development Project 4		POR Development Project 5	
		Hours	Fees	Hours	Fees	Hours	Fees	Hours	Fees	Hours	Fees
Jonathan Mitchell	\$475	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-
Glenn Sniezek	\$350	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-
Total		0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

	Rate	Cash Management Project 6		Testimony Project 7		Executory Contracts Project 8		Site Operation and Lease Review Project 9		Claims Process Project 10	
		Hours	Fees	Hours	Fees	Hours	Fees	Hours	Fees	Hours	Fees
Jonathan Mitchell	\$475	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-
Glenn Sniezek	\$350	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-
Total		0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

	Rate	Financing Project 11		Accounting and Auditing Project 12		Tax Issues Project 13		Valuation Project 14		Corporate Finance Project 15	
		Hours	Fees	Hours	Fees	Hours	Fees	Hours	Fees	Hours	Fees
Jonathan Mitchell	\$475	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-
Glenn Sniezek	\$350	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-
Total		0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

	Rate	Litigation & Relief from Stay Proceedings Project 16		Special Projects Project 17		Engagement Administration Project 18		Total	
		Hours	Fees	Hours	Fees	Hours	Fees	Hours	Fees
Jonathan Mitchell	\$475	0.0	-	0.0	-	6.5	3,087.50	6.5	3,087.50
Glenn Sniezek	\$350	0.0	-	0.0	-	8.0	2,800.00	8.0	2,800.00
Total		0.0	\$0.00	0.0	\$0.00	14.5	\$5,887.50	14.5	\$5,887.50

Blended Rate	\$406.03
---------------------	-----------------

Zolfo Cooper, LLC.
Exhibit D
March 1, 2002 - July 31, 2002
Out of Pocket & Direct Expenses

		<u>Total</u>	<u>April</u>	<u>May</u>
Travel & Lodging	(1)	\$ -	\$ -	\$ -
Telephone & Other Charges	(2)	-	-	-
Meals	(3)	-	-	-
Subtotal		-	-	-
Fax Charges	(4)	-	-	-
Copy Charges	(5)	32.10	17.10	15.00
Postage	(6)	-	-	-
Direct Expenses	(7)	56.50	11.31	45.19
Total Out-Of-Pocket & Direct Expenses		<u>\$ 88.60</u>	<u>\$ 28.41</u>	<u>\$ 60.19</u>

Note: ZC did not incur out-of-pocket or direct expenses in March 2002, June 2002, and July 2002.

- (1) Travel expenses include airfare, car rental, cab and ground transportation, car mileage allowance, tolls and parking directly related to the assignment.
- (2) Telephone and Other Charges incurred by the professionals directly related to the case.
- (3) Meals expense consists of meals purchased by professionals while traveling out of town or late night dinners while working in the office into the late evening. ZC professionals eat at quality restaurants and do not incur costs for deluxe meals.
- (4) There shall be no charges for incoming faxes. The cost for outgoing faxes shall not exceed \$1.00 per page for each of the first 25 pages and \$0.50 for each and every page thereafter
- (5) Copy charges are \$0.15 per page.
- (6) Postage expenses represents charges which are directly related to the assignment.
- (7) Direct expense includes Federal Express, messenger, car services and office telephone charges directly related to the assignment.

Exhibit E
Fees and Out-of-Pocket Expenses
February 6, 2001-July 31, 2002

	<u>Total</u>	<u>Feb-01</u>	<u>Mar-01</u>	<u>Apr-01</u>	<u>May-01</u>	<u>Jun-01</u>	<u>Jul-01</u>	<u>Aug-01</u>
Fees	\$ 522,467.50	\$ 8,487.50	\$ 77,642.50	\$ 55,062.50	\$ 57,062.50	\$ 52,450.00	\$ 59,127.50	\$ 24,593.50
20% hold-back	(104,493.50)	(1,697.50)	(15,528.50)	(11,012.50)	(11,412.50)	(10,490.00)	(11,825.50)	(4,918.70)
Net	417,974.00	6,790.00	62,114.00	44,050.00	45,650.00	41,960.00	47,302.00	19,674.80
Expenses	52,043.36	1,692.26	9,968.19	6,349.93	5,701.03	3,867.61	5,427.92	2,664.59
Invoiced	470,017.36	8,482.26	72,082.19	50,399.93	51,351.03	45,827.61	52,729.92	22,339.39
Court Approved Fees and Expenses	542,696.73	9,755.39	83,728.57	58,659.31	59,910.41	53,695.11	61,599.05	26,028.42
Paid	542,696.73	9,755.39	83,728.57	58,659.31	59,910.41	53,695.11	61,599.05	26,028.42
Remaining	<u>\$ 31,814.13</u>	<u>\$ 424.38</u>	<u>\$ 3,882.13</u>	<u>\$ 2,753.13</u>	<u>\$ 2,853.13</u>	<u>\$ 2,622.50</u>	<u>\$ 2,956.38</u>	<u>\$ 1,229.68</u>

Note: ZC did not incur professional/paraprofessional and out-of-pocket expenses in Sept. 2001, Oct. 2001, Mar. 2002, and July 2002.

Exhibit E
Fees and Out-of-Pocket Expenses
February 6, 2001-July 31, 2002

	<u>Nov-01</u>	<u>Dec-01</u>	<u>Jan-02</u>	<u>Feb-02</u>	<u>Apr-02</u>	<u>May-02</u>	<u>Jul-02</u>
Fees	\$ 31,492.00	\$ 44,290.00	\$ 69,514.00	\$ 36,848.50	\$ 1,757.50	\$ -	\$ 4,139.50
20% hold-back	(6,298.40)	(8,858.00)	(13,902.80)	(7,369.70)	(351.50)	-	(827.90)
Net	25,193.60	35,432.00	55,611.20	29,478.80	1,406.00	-	3,311.60
Expenses	2,430.24	4,659.91	5,996.06	3,197.02	28.41	60.19	-
Invoiced	27,623.84	40,091.91	61,607.26	32,675.82	1,434.41	60.19	3,311.60
Court Approved Fees and Expenses	32,347.64	46,735.41	72,034.36	38,203.09	-	-	-
Paid	32,347.64	46,735.41	72,034.36	38,203.09	-	-	-
Remaining	<u>\$ 1,574.60</u>	<u>\$ 2,214.50</u>	<u>\$ 3,475.70</u>	<u>\$ 1,842.43</u>	<u>\$ 1,785.90</u>	<u>\$ 60.19</u>	<u>\$ 4,139.50</u>

Note: ZC did not incur professional/paraprofessional and out-of-pocket expenses in Sept. 2001, Oct. 2001, Mar. 2002, and July 2002.

Sunbeam Corporation		
Chapter 11 Project Codes		
1	Chapter 11 Process	
2	Business Operations	
3	Case Administration	
4	Business Plan Development	
5	POR Development	
6	Cash Management	
7	Testimony	
8	Executory Contracts	
9	Site Operations and Lease Review	
10	Claims Administration	
11	Financing	
12	Accounting and Auditing	
13	Tax Issues	
14	Asset Sales and Valuation	
15	Corporate Finance	
16	Litigation and Relief from Stay Proceedings	
17	Special Projects	
18	Engagement Administration	

Sunbeam			
Professional Services Rendered by Jonathan Mitchell, Zolfo Cooper LLC			
April 1 through April 30, 2002			
Date	Hours	Project Code	Description
4/15/2002	1.6	18	Review third Sunbeam fee application.
4/19/2002	1.5	18	Review updated third Sunbeam fee application.
4/26/2002	0.6	18	Review final draft of third Sunbeam fee application.
	3.7		

Sunbeam			
Professional Services Rendered by Glenn Sniezek, Zolfo Cooper LLC			
July 1 through July 31, 2002			
Date	Hours	Project Code	Description
7/26/2002	8.0	18	Preparation of final Sunbeam fee application.
	8.0		

Sunbeam			
Professional Services Rendered by Jonathan Mitchell, Zolfo Cooper LLC			
July 1 through July 31, 2002			
Date	Hours	Project Code	Description
7/30/2002	2.8	18	Review and revise final Sunbeam fee application.
	2.8		

Sunbeam			
Para-professional Services Rendered by Dawn Gilligan, Zolfo Cooper LLC			
July 1 through July 31, 2002			
Date	Hours	Project Code	Description
7/31/2002	0.1	3	Develop summary and review paraprofessional fee details re: July invoice.
	0.1		