

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

----- X
In re: : Chapter 11
: :
ULTIMATE ELECTRONICS, INC., et al. : Case No. 05-10104 (PJW)
: :
Debtors. : Jointly Administered
: :
: **Hearing Date: 4/26/06 @ 9:30 a.m. (Eastern)**
----- X **Objections Due: 4/10/06 @ 4:00 p.m. (Eastern)**

**NOTICE OF FINAL APPLICATION OF PRICEWATERHOUSECOOPERS
LLP FOR COMPENSATION FOR SERVICES RENDERED AND REIM-
BURSEMENT OF EXPENSES AS TAX ADVISORS FOR THE PERIOD
FROM JANUARY 14, 2005 THROUGH JANUARY 11, 2006**

PLEASE TAKE NOTICE that on February 24, 2006, the debtors (the "Debtors") in the above-captioned jointly-administered cases (the "Bankruptcy Cases") filed and served the **Final Fee Application of PricewaterhouseCoopers LLP for Compensation for Reimbursement of Expenses as Tax Advisors for the Period from January 14, 2005 Through January 11, 2006** (the "Application").

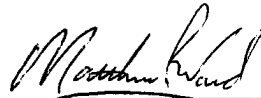
PLEASE TAKE FURTHER NOTICE that the Debtors have requested that objections, if any, to the Application or the relief requested therein must be made in writing, filed with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), 824 Market Street, Wilmington, Delaware 19801, and served so as to be received no later than **4:00 p.m. (Eastern) on April 10, 2006** by: (1) undersigned former counsel to the Debtors; (2) the Plan Administrator for

Ultimate Electronics, Inc., 321 W. 84th Ave., Suite A, Thornton, Colorado 80260 (Attn.: David Carter); (3) Office of the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn.: William K. Harrington, Esq.); (4) Counsel for the Agent for the Debtors' Prepetition and Post-Petition Lenders, Bingham McCutchen LLP, 150 Federal Street, Boston, Massachusetts 02110 (Attn.: Robert A.J. Barry, Esq.), Bingham McCutchen LLP, 399 Park Avenue, New York, New York 10022 (Attn.: Tina L. Brozman, Esq., and Jeffrey T. Kirshner, Esq.) and Richards, Layton & Finger, PA, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899 (Attn.: Daniel J. DeFranceschi, Esq., and Jason M. Madron, Esq.); (5) Counsel for the Plan Administrator and former counsel for the Official Committee of Unsecured Creditors, Haynes and Boone, LLP, 901 Main Street, Suite 3100, Dallas, Texas 75202-3789 (Attn.: Robin E. Phelan, Esq., and Mark X. Mullin, Esq.) and Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 North Market Street, 16th Floor, P.O. Box 8705, Wilmington, Delaware 19801 (Attn.: Laura Davis Jones, Esq., and Sandra G. M. Selzer, Esq.); (6) Morris Anderson & Associates Ltd., #2 Pettinaro Drive, Millville, Delaware 19970 (Attn.: Mr. Robert Troisio) (collectively, the "Notice Parties"); and (7) PricewaterhouseCoopers LLP, 1670 Broadway, Suite 1000, Denver, Colorado 80202 (Attn.: Mr. Michael E. Braun).

PLEASE TAKE FURTHER NOTICE that the Debtors have requested that a hearing with respect to the Application be held on **April 26, 2006 at 9:30 a.m.**

(Eastern) before the Honorable Peter J. Walsh in the United States Bankruptcy Court, 824 Market Street, Wilmington, Delaware 19801. Only those objections made in writing and timely filed with the Bankruptcy Court and received by undersigned counsel may be considered by the Bankruptcy Court at such hearing.

Dated: Wilmington, Delaware
February 24, 2006



Gregg M. Galardi (I.D. No. 2991)
Mark L. Desgrosseilliers (I.D. No. 4083)
Matthew P. Ward (I.D. No. 4471)
SKADDEN, ARPS, SLATE MEAGHER &
FLOM, LLP
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899-0636
Telephone: (302) 651-3000
Facsimile: (302) 651-3001

Former Counsel to the Debtors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)
) Chapter 11
)
ULTIMATE ELECTRONICS, INC., a Delaware) Case No. 05-10104 (PJW)
corporation et al.,¹)
) (Jointly Administered)
)
Debtors.) Objection Deadline:
)
) Hearing Date: April 26, 2006

**FINAL APPLICATION OF PRICEWATERHOUSECOOPERS LLP
FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES AS TAX ADVISORS
FOR THE PERIOD FROM JANUARY 14, 2005 THROUGH JANUARY 11, 2006**

Name of Applicant: PricewaterhouseCoopers LLP

Authorized to Provide Professional Services to: The above captioned debtors and debtors in possession

Date of Retention: May 4, 2005 (nunc pro tunc as of January 11, 2005)

Period for which compensation and reimbursement is sought: January 14, 2005 through January 11, 2006

Amount of Compensation sought as actual, reasonable and necessary: \$94,084.00
(\$96,472 less \$6,000 agreed fee reduction, plus final fee application fees, \$3,612)

Amount of Expense Reimbursement sought as actual, reasonable and necessary: \$1,817.89

This is a: monthly interim final application.

This is the final application filed by PricewaterhouseCoopers LLP.
In addition to the fees incurred during the Compensation period, PricewaterhouseCoopers incurred an additional 11.3 hours and \$3,612.00 of final fee application preparation time after the Effective Date, which have been included in this final fee application.

¹ The Debtors are Ultimate Electronics, Inc., Ultimate Electronics Partners Corporation, Ultimate Intangibles Corporation, Ultimate Leasing Corporation, Ultimate Electronics Leasing LP, and Ultimate Electronics Texas LP.

COMPENSATION BY PROFESSIONALS

Name of Professional Person	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate	Total Billed Hours	Total Compensation
<u>Tax Professionals</u>				
Aeder, Mitchel	Partner for 6 years; 11 years prior relevant experience; JD 1987; Specializes in the tax aspects of mergers and acquisitions and other corporate transactions, as well as the reorganization of failing and insolvent companies	\$690.00	2.0	\$1,380.00
Brace, Shelly	Associate for 2 years; CPA 2004; Federal tax consulting	\$180.00	38.5	\$6,930.00
Braun, Michael	Partner for 18 years; 9 years prior relevant experience; CPA 1979, JD 1977; Specializes in Federal tax consulting	\$574.75*	51.4	\$29,542.00,
Caywood, Hallie	Senior Associate for 3 years; 2 years prior relevant experience; CPA 2001; Specializes in Federal tax consulting	\$237.50*	136.0	\$32,300.00
Clark, Andrea	Manager for 4 years; 6 years prior relevant experience; CPA 1999; Specializes in litigation consulting and due diligence in the bankruptcy practice	\$320.00	6.2	\$1,984.00
Clark, Andrea	Ms. Clark's billing rate increased to \$360.00/hour, effective July 1, 2005.	\$360.00	4.1	\$1,476.00
Crandell, Jay	Associate for 3 years; Federal tax consulting	\$180.00	23.0	\$4,140.00
Joarder, Anita	Associate for 1 year; 1 year prior relevant experience; Federal tax consulting	\$180.00	3.0	\$540.00
Manwaring, Michael	Senior Manager for 5 years; 7 years prior relevant experience; CPA 1997; Specializes in Federal tax consulting	\$350.00	32.0	\$11,200.00
Marcil, Michelle	Associate for 1 year; Federal and state tax compliance	\$160.00	10.0	\$1,600.00
Martin, James	Senior Manager for 6 years; 8 years prior relevant experience; CPA 1993; Specializes in Federal income tax inventory consulting, leads the firm's practice in the retail inventory area.	\$350.00	13.0	\$4,550.00

Name of Professional Person	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate	Total Billed Hours	Total Compensation
Monahan, John C.	Manager for 2 years; 14 years prior relevant experience; CPA 1990; Specializes in Federal and State Tax Compliance	\$240.00	5.6	\$1,344.00
Reeder, Barbara C.R.	Managing Director for 1 year; 36 years prior relevant experience; CPA 1968; Specializes in the tax shelters and reportable transactions area.	\$500.00	2.0	\$1,000.00
Rodgers, Dennis Patrick	Associate for 1 year; Federal tax consulting	\$180.00	0.6	\$108.00
Uhrich, John R.	Partner for 19 years; 9 years prior relevant experience; CPA 1978; Specializes in Federal and State Tax Compliance	\$480.00	1.0	\$480.00
			328.4	\$98,574.00

** Blended Rates for both Tax Consulting and Tax Compliance Services*

Paraprofessionals

Garrison, Bobbye		\$100.00	0.3	\$30.00
Martin, Donna E.		\$100.00	1.0	\$100.00
Monger, Judy		\$100.00	3.4	\$340.00
Tsang, Winnie		\$100.00	7.9	\$790.00
Williams, Joan E.		\$100.00	.5	\$50.00
Wright, Laura		\$100.00	2.0	\$200.00

	15.1	\$1,510.00
Total Professional Fees and Hours Incurred	343.5	\$100,084.00
Less: Voluntary Fee Concession		\$(6,000.00)
Net Professional Fees and Hours Incurred	343.5	\$94,084.00
Blended Rate		\$273.90

COMPENSATION BY PROJECT CATEGORY

<u>Project Category</u>	<u>Total Billed Hours</u>	<u>Total Fees</u>
Bankruptcy Employment Application and Other Court Filings	20.6	\$8,392.00
Monthly and Interim Fee Applications	57.6	\$13,814.00
Final Fee Application Preparation	11.3	\$3,612.00
Other Administrative Matters	22.8	\$8,644.00
Tax Provision Assistance under FAS 109	72.5	\$17,340.00
Additional Services -- Bankruptcy Tax Planning Meetings and Related Discussions	23.3	\$10,032.00
Assistance with IRS Examination Preparation	74.9	\$20,372.00
Assistance with Retail Inventory Method Calculations and Related Discussions in Connection with the IRS Examinations	30.5	\$11,120.00
Tax Compliance Services	<u>30.0</u>	<u>\$6,758.00</u>
Total Hours and Compensation	343.5	\$100,084.00
Less: Voluntary Fee Concession		<u>\$(6,000.00)</u>
Net Hours and Compensation	<u>343.5</u>	<u>\$94,084.00</u>

REIMBURSEMENT BY EXPENSE CATEGORY

Category	Expenses
Airfare	\$1,336.10
Hotel	\$207.00
Meals	\$31.97
Public/Ground Transportation	\$163.39
Shipping Charges	\$79.43
	<hr/>
	<u>\$1,817.89</u>

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
)	
ULTIMATE ELECTRONICS, INC., a Delaware)	Case No. 05-10104 (PJW)
corporation <u>et al.</u>,)	
)	(Jointly Administered)
Debtors.)	
)	
)	
)	

**FINAL APPLICATION OF PRICEWATERHOUSECOOPERS LLP
FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES AS TAX ADVISORS
FOR THE PERIOD FROM JANUARY 14, 2005 THROUGH JANUARY 11, 2006**

PricewaterhouseCoopers LLP (“PricewaterhouseCoopers”), tax advisors to Ultimate Electronics, Inc. (“Ultimate”) and the six (6) of its subsidiaries and affiliates that are debtors and debtors-in-possession in the above-captioned cases (collectively, the “Debtors”), submits this application (the “Final Application”) seeking final approval of fees in the amount of \$94,084.00 (\$96,472 less agreed fee reduction of \$6,000, plus final fee application fees of \$3,612) and expenses in the amount of \$1,817.89 for the entire case, beginning January 14, 2005 through the Effective Date of the Plan, January 11, 2006² (the “Application Period”).

BACKGROUND

General

1. On January 11, 2005 (the “Petition Date”), the Debtors each filed a voluntary petition in this Court for reorganization relief under chapter 11 of title 11 of the United States

¹ The Debtors are Ultimate Electronics, Inc., Ultimate Electronics Partners Corporation, Ultimate Intangibles Corporation, Ultimate Leasing Corporation, Ultimate Electronics Leasing LP, and Ultimate Electronics Texas LP.

² In addition to the fees incurred during the Compensation period, PricewaterhouseCoopers incurred an additional 11.3 hours and \$3,612.00 of final fee application preparation time after the Effective Date, which have been included in this final fee application.

Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"). The Debtors continue to manage and operate their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. The United States Trustee appointed the Official Committee of Unsecured Creditors (the "Creditors Committee") on or about January 21, 2005. No trustee or examiner has been appointed in the Debtors' chapter 11 cases.

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

4. The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code.

5. On September 14, 2005, this Court authorized a Fee Auditor to review and analyze all of the fee applications filed by the professionals in the Bankruptcy Cases. Morris Anderson & Associates was appointed as the examiner in these cases.

6. On September 21, 2005, the Debtors and the Official Committee of Unsecured Creditors filed the Disclosure Statement with Respect to Joint Plan of Reorganization of Ultimate Electronics, Inc. and its Affiliated Debtors and Debtors-in-Possession, and the Official Committee of Unsecured Creditors. On December 9, 2005, the Court entered its Findings of Fact and Conclusions of Law and Order Confirming the Joint Plan of Reorganization. The Plan became effective on January 11, 2006 (the "Effective Date").

RETENTION OF PRICEWATERHOUSECOOPERS

7. On April 14, 2005, the Debtors applied to the Court for an order authorizing them to retain PricewaterhouseCoopers pursuant to an engagement letter dated March 22, 2005 (the

“Engagement Letter”) as their tax advisors, effective as of the Petition Date, to provide the following professional services:

a. PricewaterhouseCoopers will prepare and sign as preparer the U.S. Corporation Income Tax Return, Form 1120, for the Debtors for the tax year beginning February 1, 2004 through January 31, 2005 and will also prepare and sign the required state corporate income tax returns for such period, as requested by the Debtors (collectively, the “Tax Compliance Services”).

b. PricewaterhouseCoopers will assist with the preparation of the Debtors’ consolidated financial statement tax accrual for the year ended January 31, 2005, based upon the principles of Statement of Financial Accounting Standards Number 109, Accounting for Income Taxes and other relevant accounting guidance (collectively, the “Tax Provision Assistance Services”).

c. PricewaterhouseCoopers will provide assistance to the Debtors with regards to the appeals process for the IRS examination currently in progress for the tax years ended January 31, 1995, January 31, 1996, and January 31, 1998, and will provide assistance to the Debtors with regards to the scheduled IRS examination for the tax years ended January 31, 1999 through January 31, 2002. This assistance will include, among other things, attendance at IRS audit meetings and support regarding the specific issues that the IRS requests the Debtors to address, including the retail inventory method and related calculations. This assistance will also include preparing detailed schedules and gathering additional supporting schedules to support the tax returns filed for the tax years ended January 31, 1999 through January 31, 2002 to the extent that the Debtors deem necessary (collective, the “IRS Audit Assistance Services”).

d. PricewaterhouseCoopers will review the Debtors’ federal and state income tax returns for prior open years and will make recommendations to the Debtors regarding whether such review supports filing amended returns. In the event that filing amended returns becomes necessary or beneficial, at the Debtors’ request, PwC will prepare these amended returns on the Debtors’ behalf (collectively, the “Prior Year Review Assistance Services”).

e. PricewaterhouseCoopers, at the request of the Debtors, and as agreed to by PricewaterhouseCoopers may provide additional tax advising services deemed appropriate and necessary to the benefit of the Debtors’ estates (collectively, the “Additional Services”).

8. The Court entered an order (Docket No. 573) (the “Retention Order”) authorizing the Debtors to employ PricewaterhouseCoopers as their tax advisors effective as of the Petition Date pursuant to the terms of the Engagement Letter.

**REQUEST FOR FINAL APPROVAL AND PAYMENT OF ALL FEES
AND EXPENSES FOR THE APPLICATION PERIOD**

9. On February 14, 2005, this Court entered an Administrative Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (Docket No. 197) (the "Administrative Order").

10. Pursuant to the terms of the Administrative Order, if no objection is filed to a Monthly Application within twenty (20) days of the date of the filing of that application, then the Debtors may be paid eighty percent (80%) of the fees and one hundred percent (100%) of the expenses set forth in the applicable Monthly Application.

11. Prior to the date of this Final Application, PricewaterhouseCoopers filed four monthly applications covering the following periods (collectively, the "Fee Applications"):

<u>Period, Application, Docket Number</u>	<u>Compensation Requested</u>
January 14, 2005 through March 31, 2005 (the "First Application", Docket No. 728)	\$63,406.00 fees; \$1,778.71 expenses
April 1, 2005 through April 30, 2005 (the "Second Application", Docket No. 755)	\$18,170.00 fees; \$6.48 expenses
May 1, 2005 through May 31, 2005 (the "Third Application", Docket No. 790)	\$7,902.00 fees; \$32.70 expenses
June 1, 2005 through June 30, 2005 (the "Fourth Application", Docket No.879)	\$6,994.00; \$0.00 expenses

12. Copies of the Fee Applications were previously submitted to the Court and can be obtained by contacting PricewaterhouseCoopers. These Fee Applications provided a description of services provides as well as detailed time descriptions for each billing matter, including: (a) the date the services were rendered; (b) by whom the services were rendered; (c) the nature of the

services rendered; (d) the time required for the performance of such services; and (e) the fee associated with the performance of each service rendered.

13. Every three (3) months beginning with the three-month period ending in March 2005, this Court will then make a determination, after hearing, if the remaining twenty percent (20%) of fees sought in the preceding three (3) months will be paid.

- a. On July 15, 2005, the Court approved PricewaterhouseCoopers' First Application at the First Interim Application Hearing, totaling \$63,406.00 in fees and \$1,778.71 (Docket No. 846). PricewaterhouseCoopers has been paid 100% of the fees and expenses.
- b. On January 6, 2006, the Court approved PricewaterhouseCoopers' Second, Third and Fourth Applications less an agreed upon concession agreement with the Fee Examiner, totaling \$27,066.00 in fees and \$39.18 in expenses (Docket No. 1313). Prior to the approved concession agreement, PricewaterhouseCoopers had received an interim payment of \$26,491.98 (80% of fees and 100% of expenses) and was pending receipt of \$613.20 in fees (20% holdback less the \$6,000.00 fee concession).
- c. On January 18, 2006, the Debtors paid PricewaterhouseCoopers \$5,413.20 of fees. PricewaterhouseCoopers has discussed this overpayment with the Debtors and has applied the fees towards the final fee application services. Any excess funds will be refunded to the Debtors upon execution of the Court order approving the final fees and expenses.

14. Pursuant to the Administrative Order, PricewaterhouseCoopers is filing the attached fee statement (the "Final Statement") for compensation for professional services rendered and

reimbursement of disbursements made in these cases during the Application Period. The Final Statement is annexed hereto as Exhibit A.

15. At this time, PricewaterhouseCoopers is seeking compensation equal to one-hundred percent (100%) of previously approved \$94,084.00 in fees (\$96,472.00 less \$6,000.00 concession, plus \$3,612.00 for final fee application time) for professional services rendered by PricewaterhouseCoopers during the Application Period as tax advisors to the Debtors in these chapter 11 cases. This amount is derived solely from the applicable hourly billing rates of the firm's personnel who rendered such services to the Debtors.

16. PricewaterhouseCoopers also requests reimbursement of one hundred percent (100%) of the actual and necessary out-of-pocket disbursements and charges incurred in the Application Period, equal to \$1,817.89.

17. PricewaterhouseCoopers has received no promise of payment for professional services rendered or to be rendered in this case other than in accordance with the provisions of the Code.

BASIS FOR RELIEF

18. PricewaterhouseCoopers submits that the tax services and advice that it rendered to the Debtors in connection with their chapter 11 cases during the Application Period were necessary and beneficial to the Debtors, their creditors, and their estates. During this Application Period, PricewaterhouseCoopers devoted substantial time to providing tax consulting and tax compliance services to the Debtors.

19. During the Application Period, personnel of PricewaterhouseCoopers devoted a total of 343.5 hours to advising the Debtors on tax matters in their chapter 11 cases³. Of the

³ Additional 11.3 hours of time was spent preparing the final fee application (Partner, 1.2 hours; Manager, 4.1 hours; Senior Associate, 6 hours)

aggregate time expended, 54.4 hours were spent by partners, 2.0 hours were spent by managing directors, 45.0 hours were spent by senior managers, 15.9 hours were spent by managers, 136.0 hours were spent by senior associates, 75.1 hours were spent by associates, and 15.1 hours were spent by office staff and paraprofessionals. Schedules showing the name and position of each professional, together with background experience, hours worked during the Application Period, and hourly billing rate are provided at the front of this Final Application, as well as Exhibit B.

20. PricewaterhouseCoopers professionals and paraprofessionals billed their services in this case to numerous matters corresponding to particular activities in this case. Each previously submitted monthly application was submitted to the Court and provides the detail by matter of expense charges incurred during the Application Period.

DESCRIPTION OF SERVICES RENDERED

21. PricewaterhouseCoopers professionals categorized their time devoted to this matter on behalf of the Debtors' estates to various project categories (the "Project Categories"). These Project Categories, in which PricewaterhouseCoopers has rendered professional services to the Debtors during the Application Period, are organized by Project Categories, depicted in Exhibit A.

Bankruptcy Employment Application and Other Court Filings – 20.6 hours – \$8,392.00

22. During the Application Period, PricewaterhouseCoopers' professionals undertook the tasks and analysis of reviewing the Application to employ PricewaterhouseCoopers as tax advisors, prepare an Affidavit disclosing our position and performed the required tasks and analysis to provide the necessary and required disclosure of PricewaterhouseCoopers' relationships with parties-in-interest to the Debtors' case. The tasks included submitting queries to an internal

database containing names of individuals and entities that are present or recent former clients of PricewaterhouseCoopers to identify potential relationships, and determine the nature and type of relationship for disclosure to the Court. These conflict check and disclosure activities are in excess of the normal requirements associated with PricewaterhouseCoopers' normal retention as tax advisor. PricewaterhouseCoopers also undertook the tasks and analysis of reviewing and discussing the modifications made to the Application to employ PricewaterhouseCoopers as tax advisors. These modifications were also discussed with the Debtors' Counsel.

23. During the Application Period, PricewaterhouseCoopers professionals devoted a total of 20.6 hours to preparing the necessary information for the Employment Application, with a total time value of \$8,392.00.

Monthly and Interim Fee Applications – 57.6 hours – \$13,814.00 (plus 11.3 hours - \$3,612.00 associated with Final Fee Application)

24. During the Application Period, PricewaterhouseCoopers devoted time to the preparation and evaluation of the various engagement codes established for the Debtors to ensure a proper cut-off between pre-petition and post-petition services. Part of our time was spent implementing templates to collect, assemble, and review the time descriptions for the various professionals in an effort to minimize our future hours associated with the preparation of monthly and interim fee applications. PricewaterhouseCoopers began preparing the monthly interim applications in May 2005, after the Court approval of our employment. PricewaterhouseCoopers devoted time to preparing the monthly interim fee applications. We received advice from the

Debtors' Counsel on the specific format as requested by the Court. This specific format was implemented in preparing the monthly interim fee applications to be submitted to the Court.

25. During the Application Period, PricewaterhouseCoopers professionals devoted a total of 57.6 hours to preparing the necessary information for the monthly and interim fee applications, with a total time value of \$13,814.00.

26. Subsequent to the Effective Date, PricewaterhouseCoopers professionals devoted a total of 11.3 hours preparing the final fee application documentation, including narrative and exhibits for the Court, with a total time of \$3,612.00. These hours and fees have been included in PricewaterhouseCoopers' total compensation requested. The detailed time descriptions associated with these additional fees are attached herein as Exhibit C.

Other Administrative Matters – 22.8 hours – \$8,644.00

27. During the Application Period, PricewaterhouseCoopers professionals spent time tending to administrative matters related to its appointment as tax advisors to the Debtors. PricewaterhouseCoopers prepared and submitted to the Debtors a post-petition Engagement Letter for tax services as referenced in paragraph 6 herein. PricewaterhouseCoopers also held internal meetings to discuss scheduling and budgeting the projects that the Debtors have requested PricewaterhouseCoopers to perform. PricewaterhouseCoopers spent time specifically with administrative matters related to billing, status updates on projects, scheduling of future projects, setting up appropriate client charge codes for time incurred on various projects, and reviewing the engagement letter as executed by the Debtors. PricewaterhouseCoopers professionals also spent

time tending to administrative matters related to preparing a budget for the tax compliance work for the tax year ended January 31, 2005, at the request of the Debtors.

28. During the Application Period, PricewaterhouseCoopers professionals devoted a total of 22.8 hours to other administrative matters, with a total time value of \$8,644.00.

Tax Provision Assistance under FAS 109 – 72.5 hours – \$17,340.00

29. During the Application Period, PricewaterhouseCoopers professionals devoted significant time to reviewing and assisting the Debtor in preparing schedules related to the consolidated financial statement tax accrual for the year ended January 31, 2005, based upon the principles of Statement of Financial Accounting Standards Number 109, Accounting for Income Taxes. Significant time was spent reconciling prior period deferred tax assets and liabilities and adjusting the ending deferred tax assets and liabilities accordingly. In addition, PricewaterhouseCoopers professionals discussed certain elements of the current year provision with employees of the Debtors in order to gather the correct information to assist the Debtors in preparing the consolidated financial statement tax accrual.

30. During the Application Period, PricewaterhouseCoopers professionals devoted a total of 72.5 hours to assisting the Debtors with their consolidated income tax accrual for the year ended January 31, 2005, with a total time value of \$17,340.00.

Additional Services – Bankruptcy Tax Planning Meetings and Related Discussions – 23.3 hours – \$10,032.00

31. During the Application Period, PricewaterhouseCoopers professionals prepared for and attended a meeting with employees of the Debtors regarding specific tax issues in bankruptcy. PricewaterhouseCoopers professionals discussed the IRS examination and appeals status with the Debtors' legal counsel. Finally, PricewaterhouseCoopers discussed internally the plan for appointment as tax advisors to the Debtors in bankruptcy to ensure the proper information was gathered and included in the Employment Application.

32. During the Application Period, PricewaterhouseCoopers professionals devoted a total of 23.3 hours to preparing for and attending bankruptcy tax planning meetings, with a total time value of \$10,032.00.

Assistance with IRS Examination Preparation – 74.9 hours – \$20,372.00

33. During the Application Period, PricewaterhouseCoopers professionals began preparing supporting workpapers for the IRS audit of the tax years ending January 31, 1999 through and including January 31, 2002 at the request of the Debtors. Specific files were created to reconcile book income to taxable income for each year under examination. PricewaterhouseCoopers sought to provide supporting detail regarding each book-tax difference. If supporting details were not available from the files sent by the Debtors, PricewaterhouseCoopers documented additional information required to complete the supporting workpapers for each tax year. PricewaterhouseCoopers professionals began to review the information included in the supporting workpapers before the Debtors counsel discussed with PricewaterhouseCoopers the

Debtors plan to manage the IRS examination. PricewaterhouseCoopers professionals also reviewed the information document request received by the Debtors in connection with their tax years ending January 31, 1999 through January 31, 2002 IRS examination regarding specific tax shelter disclosures. PricewaterhouseCoopers consulted with one of its specialists in the tax shelters area to determine the appropriate protocol in advising the Debtors how to appropriately respond to the information document request. PricewaterhouseCoopers also discussed the status of the examination for the tax years ending January 31, 1995, January 31, 1996, and January 31, 1998 (at Appeals) and the examination for the tax years ending January 31, 1999 through January 31, 2002 to determine the overall status at Appeals with the current examination.

34. During the Application Period, PricewaterhouseCoopers professionals devoted a total of 74.9 hours to providing assistance in connection with preparing for the scheduled IRS examination, with a total time value of \$20,372.00.

Assistance with Retail Inventory Method Calculations and Related Discussions in Connection with the IRS Examinations – 30.5 hours – \$11,120.00⁴

35. During the Application Period, PricewaterhouseCoopers professionals discussed with the Debtors the overall exposure to the Debtors regarding the IRS' disallowance of the retail inventory method. In addition, PricewaterhouseCoopers brought its subject matter inventory expert to meet with the Debtors to determine the records available to compute the retail inventory method calculation.

⁴ Professionals at PricewaterhouseCoopers billed non-working travel time to its own matter. PricewaterhouseCoopers seeks compensation at 50% of the actual hours spent for such non-working traveling. Accordingly, PricewaterhouseCoopers is seeking \$1,050 (3 hours) in compensation with respect to this matter. Total travel time was 6 hours.

36. During the Application Period, PricewaterhouseCoopers professionals devoted a total of 30.5 hours to assisting the Debtors with the retail inventory method calculations and the related exposure, with a total time value of \$11,120.00.

Tax Compliance Services – 30.0 hours – \$6,758.00

37. During the Application Period, PricewaterhouseCoopers professionals devoted significant time to assisting the Debtor in preparing and processing federal and state income tax extensions for the year ended January 31, 2005. PricewaterhouseCoopers also consulted with the Debtors and PricewaterhouseCoopers bankruptcy tax specialists to determine whether the amounts due with the extension should be paid, and if not paid, the appropriate documentation to include with the filing of the extension.

38. During the Application Period, PricewaterhouseCoopers professionals devoted a total of 30.0 hours to prepare federal and state income tax extensions for the year ended January 31, 2005, with a total time value of \$6,758.00.

ALLOWANCE FOR COMPENSATION

39. Compensation Sought. Because of the benefits realized by the Debtors, the natures of these cases, the amount of work done, the time consumed, the skill required, and the contingent nature of the compensation, PricewaterhouseCoopers requests that it be approved and allowed at this time compensation for one hundred percent (100%) of the value of the professional services

rendered during the Final Application for a total of \$94,084.00 (\$96,472.00 less \$6,000.00 agreed fee reduction, plus \$3,612.00 for final fee application).

40. Reimbursement of Expenses. PricewaterhouseCoopers has disbursed and requests reimbursement for \$1,817.89, which represents actual, necessary expenses incurred in the rendition of professional services in these cases.

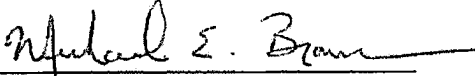
41. Other than between PricewaterhouseCoopers and its affiliates, no agreement or understanding exists between PricewaterhouseCoopers and any other person or persons for the sharing of compensation received or to be received for professional services rendered in or in connection with these cases, nor will any be made except as permitted under section 504(b)(1) of the Bankruptcy Code.

CERTIFICATE OF COMPLIANCE AND WAIVER

42. Finally, the undersigned representative of PricewaterhouseCoopers certifies that he has reviewed the requirements of Del. Bankr. L.R. 2016-2 and that the Final Application substantially complies with that Local Rule. To the extent that the Final Application does not comply in all respects with the requirements of Del. Bankr. L.R. 2016-2, PricewaterhouseCoopers believes that such deviations are not material and respectfully requests that such requirements be waived.

WHEREFORE PricewaterhouseCoopers respectfully requests final approval and payment of (a) compensation for professional services rendered as tax advisors for the Debtors in the sum of \$90,472.00 for one hundred percent (100%) of the fees approved during the Application Period; (b) reimbursement of actual and necessary expenses incurred in the sum of \$1,817.89; and (c) approval of \$3,612.00 for additional fees subsequent to the Effective Date directly associated with the preparation of this Final Application, (d) directs PricewaterhouseCoopers to pay the Debtors the remaining balance of the fee overpayment paid PricewaterhouseCoopers in January of 2006; and (d) such other and further relief as is just and proper.

Dated: February 23, 2006
Denver, Colorado

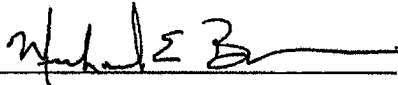


Michael E. Braun
PRICEWATERHOUSECOOPERS LLP
1670 Broadway, Suite 1000
Denver, Colorado 80202
Telephone: (720) 931-7000

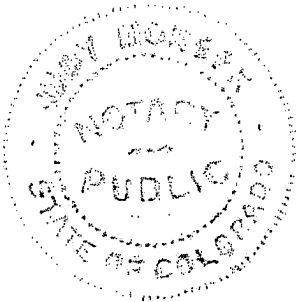
The undersigned makes the following solemn oath:

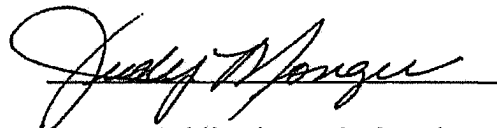
The above information contained in PricewaterhouseCoopers LLP's Final Fee Application for Allowance of Administrative Claim for Compensation and Reimbursement of Expenses for the Period January 14, 2005 through January 11, 2006 and the attached billing statements and detail are true and correct to the best of my knowledge and belief.

Dated: February 23, 2006

By: 

Dated: February 23, 2006





Notary Public in and for the State of

Colorado

My Commission Expires
September 12, 2008

**PRICEWATERHOUSECOOPERS LLP
FINAL FEE APPLICATION
JANUARY 14, 2005 THROUGH JANUARY 11, 2006**

EXHIBITS

EXHIBITS - CUMULATIVE SUMMARY SCHEDULES

- A: Summary of Compensation by Project Category**
- B: List of Professionals – Tax Services**
- C: Detailed Time Descriptions for Final Fee Application Time**

ULTIMATE ELECTRONICS**Summary of Fees by Project Category**

No.	Project Category	Total Billed Hours	Total Fees
1	Bankruptcy Employment Application and Other Court Filings	20.6	\$8,392.00
2	Monthly and Interim Fee Applications	57.6	\$13,814.00
	Final Fee Application Preparation	11.3	\$3,612.00
3	Other Administrative Matters	22.8	\$8,644.00
4	Tax Provision Assistance under FAS 109	72.5	\$17,340.00
5	Additional Services -- Bankruptcy Tax Planning Meetings and Related Discussions	23.3	\$10,032.00
6	Assistance with IRS Examination Preparation	74.9	\$20,372.00
7	Assistance with Retail Inventory Method Calculations and Related Discussions in Connection with the IRS Examinations	30.5	\$11,120.00
8	Tax Compliance Services	30.0	\$6,758.00
	Total	343.5	\$100,084.00
	Less: Voluntary Fee Concession		(\$6,000.00)
	Net Professional Fees and Hours Incurred	343.5	\$94,084.00
	Total Professional Expenses Incurred		\$1,817.89
	Total Net Professional Fees and Hours and Expenses Incurred	343.5	\$95,901.89

ULTIMATE ELECTRONICS
PricewaterhouseCoopers LLP
List of Professionals - Tax Services

Professional	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Total Billed Hours	Hourly Billing Rate	Total Fees
Michael Braun	Partner for 18 years; 9 years prior relevant experience; CPA 1979, JD 1977; Specializes in Federal tax consulting	51.4	\$574.75*	\$29,542.00
Mitchel Aeder	Partner for 6 years; 11 years prior relevant experience; JD 1987; Specializes in the tax aspects of mergers and acquisitions and other corporate transactions, as well as the reorganization of failing and insolvent companies.	2.0	\$690.00	\$1,380.00
John Uhrich	Partner for 19 years; 9 years prior relevant experience; CPA 1978; Specializes in Federal and State Tax Compliance	1.0	\$480.00	\$480.00
Barbara Reeder	Managing Director for 1 year; 36 years prior relevant experience; CPA 1968; Specializes in the tax shelters and reportable transactions area.	2.0	\$500.00	\$1,000.00
Michael Marwaring	Senior Manager for 5 years; 7 years prior relevant experience; CPA 1997; Specializes in Federal tax consulting	32.0	\$350.00	\$11,200.00
James Martin	Senior Manager for 6 years; 8 years prior relevant experience; CPA 1993; Specializes in Federal income tax inventory consulting, leads the firm's practice in the retail inventory area.	13.0	\$350.00	\$4,550.00
Andrea Clark	Manager for 4 years; 6 years prior relevant experience; CPA 1999; Specializes in litigation consulting and due diligence in the bankruptcy practice	6.2	\$320.00	\$1,984.00
Andrea Clark	Ms. Clark's billing rate increased to \$360.00/hour, effective July 1, 2005.	4.1	\$360.00	\$1,476.00
John Monahan	Manager for 2 years; 14 years prior relevant experience; CPA 1990; Specializes in Federal and State Tax Compliance	5.6	\$240.00	\$1,344.00
Hallie Caywood	Senior Associate for 3 years; 2 years prior relevant experience; CPA 2001; Specializes in Federal tax consulting	136.0	237.50*	\$32,300.00
Jay Crandell	Associate for 3 years; Federal tax consulting	23.0	\$180.00	\$4,140.00
Shelly Brace	Associate for 2 years; CPA 2004; Federal tax consulting	38.5	\$180.00	\$6,930.00
Dennis Rodgers	Associate for 1 year; Federal tax consulting	0.6	\$180.00	\$108.00

ULTIMATE ELECTRONICS
PricewaterhouseCoopers LLP
List of Professionals - Tax Services

Professional	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Total Billed Hours	Hourly Billing Rate	Total Fees
Michelle Marcil	Associate for 1 year; Federal and state tax compliance	10.0	\$160.00	\$1,600.00
Anita Joarder	Associate for 1 year; 1 year prior relevant experience; Federal tax consulting	3.0	\$180.00	\$540.00
Joan Williams	Paraprofessional	0.5	\$100.00	\$50.00
Bobbye Garrison	Paraprofessional	0.3	\$100.00	\$30.00
Donna Martin	Paraprofessional	1.0	\$100.00	\$100.00
Laura Wright	Paraprofessional	2.0	\$100.00	\$200.00
Winnie Tsang	Paraprofessional	7.9	\$100.00	\$790.00
Judy Monger	Paraprofessional	3.4	\$100.00	\$340.00
Total Professional Fees and Hours Incurred		343.5		\$100,084.00
Less: Voluntary Fee Concession				(\$6,000.00)
Net Professional Fees and Hours Incurred		343.5		\$94,084.00
Total Professional Expenses Incurred				\$1,817.89
Total Net Professional Fees and Hours and Expenses Incurred		343.5		\$95,901.89

* Blended Rates for both Tax Consulting and Tax Compliance Services

Ultimate Electronics
PricewaterhouseCoopers LLP
Detail of Professional Fees - Tax Services

Date	Professional	Hours	Rate per hour	Fees	Description
CATEGORY NO. 2 - Final Fee Application					
1/23/2006	Clark, Andrea	0.3	\$360.00	\$108.00	Discussion with Hallie Caywood (PwC) regarding final fee application.
1/23/2006	Caywood, Hallie	0.3	\$240.00	\$72.00	Discussion with Andrea Clark (PwC) regarding final fee application.
1/23/2006	Caywood, Hallie	0.2	\$240.00	\$48.00	Beginning preparation of the final fee application. Reviewing previously filed applications.
1/24/2006	Caywood, Hallie	2.4	\$240.00	\$576.00	Working on preparation of the final fee application. Preparing cumulative schedules and exhibits.
1/25/2006	Caywood, Hallie	2.9	\$240.00	\$696.00	Finalizing final fee application to send to Andrea Clark (PwC) for her review. Reviewing previously submitted applications to determine proper language to include in final fee application for description of services by
2/2/2006	Braun, Michael	0.2	\$580.00	\$116.00	Discussion with Andrea Clark (PwC) regarding final fee application.
2/2/2006	Clark, Andrea	2.4	\$360.00	\$864.00	Review final fee application prepared by Hallie Caywood (PwC). Review PACER for significant court dates and docket numbers for final fee application. Supplemental additional information into initial draft by Ms. Caywood. Distribute to client service team for final review.
2/2/2006	Clark, Andrea	0.2	\$360.00	\$72.00	Discussion with Mike Braun (PwC) regarding final fee application.
2/6/2006	Caywood, Hallie	0.2	\$240.00	\$48.00	Discussion with Andrea Clark (PwC) regarding collections for final fee application.
2/6/2006	Clark, Andrea	0.2	\$360.00	\$72.00	Discussion with Hallie Caywood (PwC) regarding collections for final fee application.
2/13/2006	Clark, Andrea	1.0	\$360.00	\$360.00	Supplement the initial draft final fee application with additional collection information, time descriptions for Michael Braun's final review and submission to the Court.
2/17/2006	Braun, Michael	1.0	\$580.00	\$580.00	Review and sign final fee application prepared by Hallie Caywood and Andrea Clark (PwC).
Total - Final Fee Application		11.3		\$3,612.00	

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

----- X
In re: : Chapter 11
ULTIMATE ELECTRONICS, INC., et al. :
Debtors. : Case No. 05-10104 (PJW)
: Jointly Administered
: Related Docket No. __
----- X

**ORDER GRANTING PAYMENT OF FEES AND EXPENSES REQUESTED
IN FINAL APPLICATION OF PRICEWATERHOUSECOOPERS LLP FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT
OF EXPENSES AS TAX ADVISORS FOR THE PERIOD FROM JANUARY
14, 2005 THROUGH JANUARY 11, 2006**

This Court having previously authorized the employment of PricewaterhouseCoopers LLP ("PwC") in the cases of the above-captioned debtors (collectively, the "Debtors"); a Notice of Hearing (the "Notice")¹ on the Final Application of PricewaterhouseCoopers LLP for Compensation for Services Rendered and Reimbursement of Expenses as Tax Advisors for the Period from January 14, 2005 Through January 11, 2006 (the "Final Fee Application") having been filed and served; the Court having conducted a hearing on the Final Fee Application of PwC and having determined that the Final Fee Application seeks reasonable compensation for actual, necessary services rendered by PwC in these cases and reimburse-

¹ Each capitalized term not otherwise defined herein shall have the meaning ascribed to it in the Notice.

ment for actual, necessary expenses incurred in the rendition of such services; it appearing that the Notice has been properly and adequately served and that no other or further notice is necessary; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The fees and expenses requested in the Final Fee Application, including any fees and expenses incurred after the Effective Date for preparing the Final Fee Application or otherwise, are hereby approved and allowed on a final basis in the amounts set forth on Exhibit A attached to this Order.

2. Liquidating Ultimate and/or the Plan Administrator are hereby authorized and directed to promptly pay PwC the difference, if any, between the allowed amount of fees and expenses approved by this Order and the actual payments received by PwC. Such payment shall be made no later than five (5) business days from the entry of this order as a final order of this Court.

3. PwC is authorized to apply any retainer funds previously advanced by the Debtors against any amounts approved by this Order.

4. This Order is without prejudice to the rights of PwC to seek further allowance and payment of compensation and reimbursement of expenses upon application to this Court.

Dated: Wilmington, Delaware
April __, 2006

Honorable Peter J. Walsh
United States Bankruptcy Judge

Exhibit A

Date Filed	Period Covered	Requested Fees, Expenses		Paid Fees, Expenses		Fees, Expenses To Be Paid	
6/8/05	January 14, 2005 to March 31, 2005	\$63,406.00	\$1,778.71	\$63,406.00	\$1,778.71	\$0.00	\$0.00
6/15/05	April 1, 2005 to April 30, 2005	\$18,170.00	\$6.48	\$18,170.00	\$6.48	\$0.00	\$0.00
6/28/05	May 1, 2005 to May 31, 2005	\$7,902.00	\$32.70	\$7,902.00	\$32.70	\$0.00	\$0.00
8/1/05	June 1, 2005 to June 30, 2005	\$994.00 ²	\$0.00	\$994.00	\$0.00	\$0.00	\$0.00
	Total for Entire Case Period	\$90,472.00	\$1,817.89	\$90,472.00	\$1,817.89	\$0.00	\$0.00
	Post Effective Date (estimated)	\$3,612.00	\$0.00	\$0.00	\$0.00	\$3,612.00	\$0.00

² This amount reflects \$6,000.00 in accommodations arising from the fee examiner's review of PwC's monthly fee applications for the period from January, 2005 through June, 2005.

CERTIFICATE OF SERVICE

I, Matthew P. Ward, hereby certify that on the 24th day of February, 2006, I caused the foregoing **Final Application of PricewaterhouseCoopers LLP for Compensation for Services Rendered and Reimbursement of Expenses as Tax Advisors for the Period from January 14, 2005 Through January 11, 2006** to be served on the parties listed on Exhibits A and B, attached hereto, by first-class mail, postage prepaid, unless otherwise indicated thereon.

A handwritten signature in black ink, appearing to read "Matthew P. Ward", written over a horizontal line.

Matthew P. Ward

Exhibit A
Ultimate Electronics, Inc.
Service List

Former Counsel to the Debtors:

Gregg M. Galardi, Esq.
Mark L. Desgrosseilliers, Esq.
Matthew P. Ward, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
One Rodney Square
P.O. Box 636
Wilmington, DE 19899
Tel: 302-651-3000
Fax: 302-651-3001

Former Special Corporate Counsel to the Debtors:

Paul Hilton, Esq.
Hogan & Hartson L.L.P.
One Tabor Center, Suite 1500
1200 Seventeenth Street
Denver, CO 80202
Tel: 303-454-2414
Fax: 303-899-7333

Plan Administrator for Liquidating Ultimate:

David A. Carter
Ultimate Electronics, Inc.
321 W. 84th Avenue, Suite A
Thornton, CO 80260

Office of the United States Trustee:

Bill Harrington, Esq.
Office of the U.S. Trustee
844 King Street
Suite 2207, Lockbox 35
Wilmington, DE 19801
Tel: 302-573-6491
Fax: 302-573-6497

Counsel to the Agent for the Debtors'

Postpetition Lenders:
Robert A.J. Barry, Esq.
Bingham McCutchen LLP
150 Federal Street
Boston, MA 02110
Tel: 617-951-8000
Fax: 617-951-8736

Tina L. Brozman, Esq.
Jeffrey T. Kirshner, Esq.
Bingham McCutchen LLP
399 Park Avenue
New York, NY 10022
Tel: 212-705-7756
Fax: 212-702-3627

Daniel J. DeFranceschi, Esq.
Jason M. Madron, Esq.
Richards, Layton & Finger, PA
One Rodney Square
P.O. Box 551
Wilmington, DE 19899
Tel: 302-651-7700
Fax: 302-651-7701

Counsel to Ultimate Acquisition Partners, L.P.:

Jack Kinzie, Esq.
Baker Botts L.L.P.
2001 Ross Avenue
Dallas, TX 75201
Tel: 214-953-6500
Fax: 214-953-6503

Former Financial Advisors to the Debtors:

Robert J. Duffy
FTI Consulting
125 High Street, Suite 1402
Boston, MA 02110
Tel: 303-689-8829
Fax: 303-689-8802

Counsel to the Plan Administrator:

Robin E. Phelan, Esq.
Mark X. Mullin, Esq.
Haynes and Boone, LLP
901 Main Street, Suite 3100
Dallas, TX 75202-3789
Tel: 214-651-5000
Fax: 214-651-5940

Laura Davis Jones, Esq.
Sandra G. McLamb, Esq.
Pachulski, Stang, Ziehl, Young, Jones &
Weintraub P.C.
919 N. Market Street, 16th Floor
P.O. Box 8705
Wilmington, DE 19899-8705
Tel: 302-652-4100
Fax: 302-652-4400

Fee Examiner:
Mr. Robert Troisio
Morris Anderson & Associates Ltd.
#2 Pettinaro Drive
Millville, DE 19970
By Overnight Delivery

Exhibit B

Michael E. Braun
PricewaterhouseCoopers LLP
1670 Broadway
Suite 1000
Denver, CO 80202