

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re : Chapter 11 Case No.
 :
IWO HOLDINGS, INC., et al., : 05-10009 (PJW)
 :
 : (Jointly Administered)
 :
 :
 : Objection Deadline: 3/21/05 at 4:00 p.m.
Debtors. : Hearing Date: 3/28/05 at 1:30 p.m.
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**FIRST AND FINAL APPLICATION OF WEIL, GOTSHAL &
MANGES LLP, AS ATTORNEYS FOR THE DEBTORS AND DEBTORS
IN POSSESSION, FOR ALLOWANCE OF COMPENSATION
FOR PROFESSIONAL SERVICES RENDERED AND
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES
INCURRED FROM JANUARY 4, 2005 THROUGH FEBRUARY 10, 2005**

Name of Applicant: Weil, Gotshal & Manges LLP
**Authorized to Provide
Professional Services to:** The above-captioned debtors and debtors in possession.
Date of Retention: January 27, 2005, *nunc pro tunc* to January 4, 2005
**Period for Which
Compensation Is Sought:** January 4, 2005 through February 10, 2005¹
**Amount of Compensation
Sought as Actual, Reasonable,
and Necessary:** \$395,531.50
**Amount of Expense
Reimbursement Sought as
Actual, Reasonable,
and Necessary:** \$6,510.19

This is a(n): Interim Final Application

There have been no prior Applications filed.

¹ A hearing to consider this first and final application is scheduled on March 28, 2005 at 1:30 p.m. (Eastern Time).

COMPENSATION BY PROFESSIONAL

NAME OF PROFESSIONAL	DEPARTMENT AND YEAR ADMITTED	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
PARTNERS & OF COUNSELS:				
Waksman, Ted S.	C – 1974	\$760.00	61.30	\$45,144.00
Tanenbaum, Jeffrey L.	BF&R – 1977	\$760.00	144.30	\$103,588.00
Simms, Marsha E.	C – 1978	\$700.00	4.00	\$2,800.00
Goldring, Stuart J.	T – 1984	\$740.00	1.00	\$740.00
Chivers, Corey	ICF – 1992	\$680.00	37.20	\$25,296.00
Total Partners			247.80	\$177,568.00

NAME OF PROFESSIONAL	DEPARTMENT AND YEAR ADMITTED	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
ASSOCIATES:				
Lilien, Jason R.	C – 1996	\$525.00	113.00	\$59,325.00
Ticoll, Gary	BF&R – 2000	\$470.00	43.00	\$18,048.00
Berkovich, Ronit J.	BF&R – 2002	\$425.00	82.70	\$33,107.50
Geldert, Brian D.	BF&R – 2004	\$355.00	69.60	\$23,110.50
Stoller, Greg H.	C – 2004	\$355.00	125.10	\$44,410.50
Owen, John T.	C – 2002	\$425.00	45.70	\$19,422.50
Mukerjee, Amitab M.	C – +	\$295.00	31.80	\$9,381.00
Other Professionals (fewer than 5 hours per person)		\$355.00	.30	\$106.50
Total Associates			511.20	\$206,911.50

BF&R – Business Finance & Restructuring, C – Corporate, ICF – International Corporate Finance, T – Tax, + -- not yet admitted to the bar

NAME OF PROFESSIONAL	DEPARTMENT	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
PARAPROFESSIONALS:				
Baron, Jill A.	BF&R	\$145.00	34.90	\$5,060.50
Viola, Matthew	C	\$175.00	18.00	\$3,150.00
Lee, Kathleen	BF&R	\$175.00	6.70	\$1,172.50
Donlon, John	C	\$160.00	5.20	\$832.00
Other Staff (fewer than 5 hours per person)		\$80.00 - \$175.00	5.60	\$837.00
Total Paraprofessionals			70.40	\$11,052.00

COMPENSATION BY PROJECT CATEGORY

PROJECT CATEGORY	TOTAL HOURS	TOTAL FEES
Case Administration (I2210)	118.40	\$47,505.00
Billing/Fee Applications – Other Professionals (I2211)	1.70	\$687.50
Billing/Fee Applications – WG&M (I2212)	.40	\$304.00
Retentions – Other Professionals (I2213)	30.60	\$17,117.00
Retentions – WG&M (I2214)	3.70	\$1,294.50
Non-Working Travel (I2215)	47.60	\$13,323.50
Court Communications/Hearings (I2216)	31.90	\$19,800.00
General Corporate Issues and Documentation (I2217)	165.50	\$64,176.50
General Vendor Issues (I2218)	8.40	\$4,562.50
General Business Operations (I2219)	5.90	\$1,205.50
Plan Confirmation and Implementation (I2220)	316.60	\$172,786.50
Real Property / 365 Issues (I2221)	3.30	\$2,340.50
Financing/Cash Collateral (I2223)	4.60	\$2,859.50
Sprint Issues (I2223)	2.90	\$1,885.00
High Yield Offering (I2225)	87.90	\$45,684.00

EXPENSE SUMMARY

EXPENSE CATEGORY	TOTAL EXPENSES
Local Transportation (011)	\$80.00
Domestic Travel (012, 012D)	\$2,216.09
Taxi Service – Legal (014B)	\$169.32
Taxi Service – Support Staff (015B)	\$42.84
Support Staff, Overtime Meals (019G)	\$3.76
Attorney Meals (020, 021A, 020G)	\$113.11
Telephone (021)	\$41.04
Duplicating (Firm) (024, 024D)	\$1,926.30
Document Scanning (024C)	\$38.60
Corporation Service (036)	\$1,076.00
Lexis/Nexis Computerized Research (NY) (075B)	\$624.58
Westlaw – Computerized Research (NY) (075C)	\$87.15
Convenience Copies (094)	\$2.00
Domestic Travel – Meals (112)	\$89.40
Total Expenses	\$6,510.19

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AS ATTORNEYS FOR THE DEBTORS AND DEBTORS IN POSSESSION,
FOR ALLOWANCE OF COMPENSATION FOR PROFESSIONAL SERVICES
RENDERED AND REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES
INCURRED FROM JANUARY 4, 2005 THROUGH FEBRUARY 10, 2005**

Weil, Gotshal & Manges LLP (“WG&M”), attorneys for IWO Holdings, Inc., Independent Wireless One Corporation, and Independent Wireless One Leased Realty Corporation, as debtors and debtors-in-possession, and now reorganized debtors (collectively, “IWO” or the “Debtors,” and, from and after February 10, 2005, the “Reorganized Debtors”), for its first and final application (the “Application”), pursuant to sections 330(a) and 331 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for allowance of compensation for professional services rendered by WG&M in the amount of \$395,531.50 for the period January 4, 2005 through and including February 10, 2005 (the “Compensation Period”), and for reimbursement of actual and necessary expenses incurred by WG&M in the amount of \$6,510.19 during the Compensation Period, respectfully represents:

Preliminary Statement

1. Less than six weeks elapsed from the commencement of the Debtors' chapter 11 cases through the closing of the Debtors' plan of reorganization. The Debtors' expeditious emergence from chapter 11 was due, in large part, to the experienced and cooperative efforts of the professionals involved in these cases, including WG&M as bankruptcy counsel. The short duration of these pre-packaged chapter 11 cases led to a successful restructuring of the Debtors with no adverse effect to their business operations, as well as dramatically reduced administrative expenses, including reduced fees and expenses for professionals.

2. As described in further detail herein, WG&M's efforts to advise and represent the Debtors during the Compensation Period have provided substantial benefit to the Debtors' estates. In consideration of the circumstances present here, WG&M's fees for professional services and expenses are reasonable under the applicable standards. Therefore, WG&M requests that the Court grant the Application and allow final compensation for professional services and final reimbursement of expenses as described herein.

Background

3. On January 4, 2005 (the "Commencement Date"), each of the Debtors commenced a case under the Bankruptcy Code. The Debtors continued to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. By order dated January 4, 2005, the Debtors' chapter 11 cases were consolidated for procedural purposes and are being jointly administered pursuant to Bankruptcy Rule 1015(b).

4. IWO is a network partner of Sprint Corporation and certain of its affiliates (collectively, “Sprint”). Pursuant to certain agreements with Sprint (as amended from time to time, the “Sprint Agreements”),¹ IWO has the exclusive right to provide mobile digital wireless personal communications services (“PCS”) under the Sprint PCS® and Sprint® brand names in a territory that includes a total population of approximately 6.3 million. IWO’s territory covers upstate New York (including the markets of Albany, Syracuse, and Ithaca), New Hampshire (other than the Nashua market), Vermont, and portions of Massachusetts and Pennsylvania.

5. As a PCS affiliate of Sprint, IWO offers national and local calling plans designed by Sprint. IWO markets Sprint PCS products and services through a number of distribution outlets located in IWO’s territory, comprised of IWO’s retail stores, major national distributors including Radio Shack and Best Buy, and IWO’s local third-party distributors. As of September 30, 2004, IWO’s network covered approximately 4.8 million people in IWO’s territory, and IWO had approximately 231,000 subscribers. IWO currently has approximately 190 employees.

6. Sprint, along with its PCS affiliates, operates the largest 100% digital, 100% PCS nationwide wireless network in the United States. Pursuant to the Sprint Agreements, IWO owns and is responsible for building, operating, and managing the portion of the Sprint PCS nationwide network located in its territory. IWO’s portion of the Sprint PCS network is designed to provide a seamless connection with the rest of the nationwide wireless network of Sprint.

¹ The Sprint Agreements include (i) the Sprint PCS Management Agreement, dated February 9, 1999, (ii) the Sprint PCS Services Agreement, dated February 9, 1999, (iii) the Sprint Trademark and Service Mark License Agreement, dated February 9, 1999, and (iv) the Sprint Spectrum Trademark and Service Mark License Agreement, dated February 9, 1999.

7. Prior to the Commencement Date, the Debtors solicited votes to accept or reject their joint plan of reorganization, dated as of January 4, 2005 (as supplemented, amended, and modified, the “Plan”), through the distribution, commencing on December 1, 2004, of a disclosure statement (the “Disclosure Statement”). The restructuring implemented under the Plan is the result of several months of negotiations with a steering committee of lenders under the Debtors’ secured credit agreement, an informal committee (the “Senior Noteholder Committee”) of holders of a majority of IWO’s senior note claims, and Sprint.

8. The Plan and Disclosure Statement were filed on the Commencement Date. As set forth in the certification filed concurrently with the Debtors’ chapter 11 petitions, the proposed Plan was overwhelmingly accepted by the only class entitled to vote. Specifically, twenty-two (22) holders of claims in Class 4 (Senior Note Claims) with claims totaling \$142,319,000 voted to accept the Plan, which represents 99.2% in amount and 84.62% in number of holders of claims in Class 4 voting, far in excess of the statutory percentages specified in section 1126(c) of the Bankruptcy Code. The Plan was confirmed by the Court by order dated February 9, 2005 (the “Confirmation Order”) and was consummated on February 10, 2005 resulting in the Debtors’ emergence from bankruptcy.

9. By order of the Court dated January 27, 2005, the Debtors were authorized to retain WG&M, *nunc pro tunc* to the Commencement Date, as their attorneys to render legal services in connection with the chapter 11 cases (the “Retention Order”). No objections to such retention were filed. The Retention Order authorized WG&M to be

compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

10. In connection with its retention application (the “Retention Application”), WG&M submitted the Affidavit and Disclosure Statement of Jeffrey L. Tanenbaum Pursuant to Bankruptcy Code Sections 327, 328(a), 329 and 504 and Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure.

11. By separate order entered on the same date, the Court approved the employment and retention of Richards, Layton & Finger, P.A. (“RL&F”) as co-attorneys for the Debtors. WG&M and RL&F have divided responsibilities regarding the representation of the Debtors and have made every effort to avoid and/or minimize unnecessary duplication of efforts in these chapter 11 cases.

Compensation Paid and its Source

12. All services for which compensation is requested by WG&M were performed for or on behalf of the Debtors.

13. Except to the extent of the retainer paid to WG&M as described in the Retention Application during the period covered by this Application, WG&M has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between WG&M and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these cases.

Monthly Fee Statements

14. Due to the very short duration of the chapter 11 cases and in anticipation of filing this first and final Application, notwithstanding the procedures set forth in the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Chapter 11 Professionals, dated January 27, 2005, WG&M has refrained from providing the Debtors with a monthly fee statement for any portion of the Compensation Period.

Summary of Professional Compensation and Reimbursement of Expenses Requested

15. WG&M is seeking allowance of one hundred percent (100%) of the compensation for professional services rendered to the Debtors during the Compensation Period, in the aggregate amount of \$395,531.50. WG&M also seeks reimbursement of one hundred percent (100%) of expenses incurred in connection with the rendition of such services in the aggregate amount of \$6,510.19. During the Compensation Period, WG&M attorneys and paraprofessionals expended a total of 830.10 hours for which compensation is requested. WG&M intends to apply its extant retainer of \$500,000.00 to any amounts so awarded.

16. The fees charged by WG&M in these cases are billed in accordance with its existing billing rates and procedures in effect during the Compensation Period. The rates WG&M charges for the services rendered by its professionals and paraprofessionals in these chapter 11 cases are the same rates WG&M charges for services rendered in comparable nonbankruptcy related matters. WG&M's fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable nonbankruptcy cases in a competitive national legal market.

17. WG&M maintains computerized records (“Time and Expense Records”) of both the time spent by all WG&M attorneys and paraprofessionals and the actual and necessary expenses incurred in connection with the prosecution of the Debtors’ chapter 11 cases. Subject to redaction for attorney-client privilege and sensitive information where necessary to protect the Debtors’ estates, copies of these Time and Expense Records are annexed hereto as Exhibit “A” and have been provided to (i) the Court, (ii) the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), (iii) RL&F, and (iv) the attorneys for the Senior Noteholder Committee (collectively, (i) through (iv), the “Notice Parties”) in accordance with the Confirmation Order.

18. Although WG&M has endeavored to include all fees and expenses incurred during the Compensation Period, it is possible that certain amounts have been inadvertently omitted. To the extent that time or disbursement charges for services rendered or disbursements incurred during the Compensation Period were not processed prior to the preparation of this Application, WG&M reserves the right to request additional compensation for such services and reimbursement of such expenses in a supplement to this Application (the “Supplement”). In the event a Supplement is necessary, WG&M proposes that it will provide the Notice Parties with the Supplement and the Time and Expense Records that form the basis for the additional charges in the Supplement. WG&M requests that it be entitled to receive payment for such fees and expenses from the Debtors without further leave or notice of the Court if, within 15 days of the service of such records, no party upon whom such records were served objects to the Supplement. If, however, such an objection is filed and not otherwise resolved prior to the date that is 20

days from the date of such objection, WG&M may request that the Court conduct a hearing to resolve such objection. To the extent that a Supplement is necessary, WG&M anticipates that any such amounts would be de minimis.

Summary of Services During the Compensation Period

19. In accordance with Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), annexed to the front of this Application are schedules (the “Schedules”) setting forth all WG&M professionals and paraprofessionals who have performed services in these chapter 11 cases during the Compensation Period, the capacity in which each such individual is employed by WG&M, the department in which each individual practices, the year in which each professional first was licensed to practice law, the hourly billing rate charged by WG&M for services performed by each such individual, and the aggregate number of hours expended by each such individual in this matter during the Compensation Period and fees billed therefor. The Schedules were prepared substantially in the form of Local Form 102 as required by the Local Rules.

20. During the Compensation Period, WG&M was required to render a substantial amount of professional services in furtherance of the Debtors’ chapter 11 cases. WG&M, among other things, guided the Debtors through the chapter 11 process, handled all motions and hearings involved, and played a substantive role in the implementation of the Plan. These services were sometimes performed under severe time constraints in order to assist the Debtors in reorganizing on an expedited basis.

21. Services rendered by WG&M during the Compensation Period have been grouped into fifteen project categories. The number of hours and the total

compensation requested for each of the project categories during the Compensation Period is set forth herein, immediately following the Schedules (the “Project Category Summary”). The following is a general, non-exhaustive description of each of the project categories to which time was billed during the Compensation Period:

a. **Case Administration (Work Code I2210).**

- This project category includes time spent by WG&M professionals and paraprofessionals conducting numerous meetings and teleconferences to discuss multiple outstanding issues in these chapter 11 cases, as well as time spent providing general assistance to the Debtors concerning these chapter 11 cases. This project category also includes preparation and review of materials and documents relating to various matters, including, but not limited to, hearings before the Court, docket updates and monitoring, calendar management, file maintenance, and hearing agendas. In addition, this category includes conferences among the Debtors, their professionals, and the U.S. Trustee in connection with, and preparation of materials and documents relating to, the initial debtor interview, the 341 meeting, and the U.S. Trustee reporting requirements and compliance therewith.

b. **Billing/Fee Applications – Other Professionals (Work Code I2211).**

- This project includes time spent by WG&M professionals to address any and all matters relating to applications for allowance of compensation and reimbursement of expenses required to be filed by the Debtors’ professionals other than WG&M.

c. **Billing/Fee Applications – WG&M (Work Code I2212).**

- This project includes time spent by WG&M professionals to address any and all matters relating to billing issues and preparation of applications for allowance of compensation and reimbursement of expenses required to be filed by WG&M.

d. **Retentions – Other Professionals (Work Code I2213).**

- This project category includes time spent by WG&M professionals and paraprofessionals conducting various meetings related to, and preparing and reviewing, the Debtors’ applications to employ professionals and related documents. This project category also includes addressing issues raised by the U.S. Trustee regarding any such retention and

internal discussions regarding the motion to approve the employment of ordinary course professionals in the ordinary course of business.

e. **Retentions – WG&M (Work Code I2214).**

- This project category includes time spent by WG&M professionals and paraprofessionals in their review of conflicts reports after updating the Debtors' list of creditors and reviewing and revising the Debtors' application to retain WG&M and other documents related thereto.

f. **Nonworking Travel (Work Code I2215).**

- This project category includes nonworking travel time billed by WG&M professionals in connection with attendance at hearings conducted during the Debtors' chapter 11 cases. As required by Local Rule 2016-2(d), WG&M billed the Debtors at 50% of its regular hourly rates for any time billed to this project category.

g. **Court Communications/Hearings (Work Code I2216).**

- This project category includes time billed by WG&M professionals for preparation for, and attendance at, the hearings conducted during the Debtors' chapter 11 cases.

h. **General Corporate Issues and Documentation (Work Code I2217).**

- This project category includes time billed by WG&M professionals and paraprofessionals in connection with the drafting and reviewing of documents relating to the commencement of these chapter 11 cases and the confirmation and consummation of the Plan that are required to be filed with government agencies, including the United States Securities and Exchange Commission, and review of procedures and rules for filing thereof. This project category also includes the drafting and reviewing of (i) press releases relating to filing of chapter 11 cases, (ii) documents relating to resignation of officers and directors upon consummation of the Plan, and (iii) amendments and changes to the Debtors' corporate governance documents, including, but not limited to the certificate of merger, the certificates of incorporation, and the management equity plan.

i. **General Vendor/Claims Issues (Work Code I2218).**

- This project category includes time billed by WG&M professionals responding to inquiries by the Debtors, the Debtors' vendors, and other parties in interest relating to the effect of the commencement of the Debtors' chapter 11 cases on the relationships between such parties,

including, but not limited to, review of assertions of creditors relating to amounts owed thereto and obligations pursuant to the “first day” orders entered by the Court. In addition, this project category includes all time billed relating to monitoring and reviewing proofs of claims asserted against the Debtors, investigating and discussing the same with the Debtors’ management, and reviewing the manner set forth under the Plan to resolve disputed proofs of claim.

j. **General Business Operations (Work Code I2219).**

- This project category includes time billed by WG&M professionals in providing general assistance and advice to the Debtors, including their management and employees, concerning the commencement of these chapter 11 cases, its effect on business operations, the rights and obligations of debtors in possession, and interpretation of orders.

k. **Plan Confirmation and Implementation (Work Code I2220).**

- This project category includes time spent by WG&M professionals and paraprofessionals participating in numerous conferences with the Debtors, their professionals, and other parties in interest, conducting legal research, and drafting materials relating to the confirmation and consummation of the Plan, including, but not limited to, the Plan Supplement (as such term is defined in the Plan), the affidavit of James J. Loughlin in support of confirmation, the Confirmation Order, and the checklists relating to consummation. This project category also includes preparation for and attendance at the Debtors’ confirmation hearing.

l. **Real Property / 365 Issues (Work Code I2221).**

- This project category includes time billed by WG&M professionals in addressing inquiries from the Debtors’ landlords regarding the assumption or rejection of leases to which the Debtors are a party and other general issues relating to such landlords and executory contracts.

m. **Financing/Cash Collateral (Work Code I2223).**

- This project category includes time billed by WG&M professionals relating to (i) coordinating the preparation and review of the cash flow budgets and other financial information required to be circulated to the Debtors’ lenders and other parties pursuant to the cash collateral order and (ii) drafting and reviewing the interim and final cash collateral orders and correspondence with the Debtors’ professionals relating thereto.

n. **Sprint Issues (Work Code I2224).**

- This project category includes time billed by WG&M professionals in connection with addressing issues relating to (i) the amendments to the Sprint Agreements and any related documents implemented under the Plan and the (ii) termination of the consent and agreement upon consummation of the Plan.

o. **High Yield Offering (Work Code I2225).**

- This project category includes time spent by WG&M professionals and paraprofessionals conducting numerous meetings and teleconferences to discuss multiple outstanding issues relating to the closing of the new notes offering, the proceeds of which were used, among other things, to satisfy the claims of the Debtors' prepetition secured lenders. In addition, this project category includes the drafting and reviewing of the documents underlying such offering and the closing thereof.

22. The foregoing professional services performed by WG&M were necessary and appropriate to the administration of the Debtors' chapter 11 cases. The professional services performed by WG&M were in the best interests of the Debtors and other parties in interest. Compensation for the foregoing services as requested is commensurate with the complexity, importance, and nature of the problems, issues, or tasks involved. The professional services were performed with expedience and in an efficient manner.

23. A significant amount of the services performed by members and associates of WG&M were rendered by the Business Finance & Restructuring Department. WG&M has a preeminent practice in this area and enjoys a national reputation for its expertise in financial reorganizations and restructurings of troubled entities, with approximately 115 attorneys specializing in this area of law.

24. The professional services performed by WG&M on behalf of the Debtors during the Compensation Period required an aggregate expenditure of 829.40 recorded hours by WG&M's members, counsel, associates, and paraprofessionals. Of the

aggregate time expended, 247.80 recorded hours were expended by partners and counsel of WG&M, 511.20 recorded hours were expended by associates, and 70.40 recorded hours were expended by paraprofessionals of WG&M.

25. During the Compensation Period, WG&M's hourly billing rates for attorneys ranged from \$295 to \$760 per hour. Allowance of compensation in the amount requested would result in a blended hourly billing rate for attorneys of approximately \$506.56 (based on 759 recorded hours for attorneys at WG&M's regular billing rates in effect at the time of the performance of services). Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable bankruptcy cases in a competitive national legal market.

Actual and Necessary Disbursements of WG&M

26. In accordance with Rule 2016-2 of the Local Rules, annexed to the beginning of the Application is a summary of the actual and necessary disbursements incurred by WG&M in connection with its representation of the Debtors (the "Expense Summary"). As set forth in the Expense Summary, WG&M requests allowance of actual and necessary disbursements incurred by WG&M during the Compensation Period in the aggregate amount of \$6,510.19.

27. With respect to photocopying expenses, WG&M charged the Debtors \$.15 per page, which is the same amount WG&M charges its other clients. With respect to facsimile expenses, WG&M charged the Debtors \$1 per page for outgoing facsimiles and also the cost of long distance facsimiles at applicable toll charge rates. Consistent with the Local Rules, WG&M did not charge the Debtors for the costs of incoming facsimiles. These charges are intended to cover WG&M's direct operating costs,

which costs are not incorporated into the WG&M hourly billing rates. Only clients who actually use services of the types set forth in the Expense Summary are separately charged for such services. The effect of including such expenses as part of the hourly billing rates would impose that cost upon clients who do not require extensive photocopying and other facilities and services. The amount of the standard photocopying charge is intended to allow WG&M to cover the related expenses of its photocopying service. A determination of the actual expenses per page for photocopying, however, is dependent on both the volume of copies and the total expenses attributable to photocopying on an annual basis.

28. The time constraints imposed by the circumstances of these cases have required WG&M's attorneys and other employees at times to devote time during the evenings and on weekends to the performance of legal services on behalf of the Debtors. These extraordinary services were essential to meet deadlines, timely respond to inquiries on a daily basis from creditors and other parties in interest, and satisfy the demands of the Debtors' business and the administration of their estates. While WG&M has not charged the Debtors for any overtime expenses, consistent with firm policy, attorneys and other employees of WG&M who worked late into the evenings or on weekends were reimbursed for their reasonable meal costs and their cost for transportation from the office to home. WG&M's regular practice is not to include components for those charges in overhead when establishing billing rates and to charge its clients for these and all other out-of-pocket expenses incurred during the regular course of the rendition of services.

29. These actual expenses incurred in providing professional services were absolutely necessary, reasonable, and justified under the circumstances to serve the needs of the Debtors, their estates, and their creditors.

The Requested Compensation and Expense Reimbursement Should Be Allowed

30. Section 330 of the Bankruptcy Code provides that subject to section 328(a), a court may award a professional employed under section 327 of the Bankruptcy Code “reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary disbursements.” 11 U.S.C. § 330(a)(1). Section 330 of the Bankruptcy Code also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent, and the value of such services, taking into account all relevant factors, including ---

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary at the time at which the service was rendered toward the completion of a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and
- (E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

31. In determining the reasonableness of a compensation request, courts generally apply the lodestar method:

The Supreme Court has made it clear that the lodestar method of fee calculation is the method by which federal courts should determine reasonable attorney’s fees under federal statutes that provide for such fees.

Boddy v. United States Bankruptcy Court (In re Boddy), 950 F. 2d 334, 337 (6th Cir. 1991).

32. Courts calculate the lodestar amount by multiplying the proven number of hours reasonably expended by the attorney's reasonable hourly rate. See Shepard v. Honda of America MFG, Inc., 160 F. Supp. 2d 860, 874 (S.D. Ohio 2001) citing Hensley v. Eckerhart, 461 U.S. 424, 433 (1983). In assessing the reasonableness of an attorney's compensation request, there is a "strong presumption" that an attorney is entitled to the attorney's lodestar fee. Id. at 875.

33. Here, WG&M was retained pursuant to section 328(a) of the Bankruptcy Code on terms and conditions providing that WG&M shall be compensated in accordance with its normal hourly rates in effect and reimbursed in accordance with its normal reimbursement policies. The reasonableness of these terms was established by virtue of the competitive legal marketplace agreeing to these terms on a daily basis.

34. In the instant case, WG&M computed its requested fees in accordance with its normal hourly rates and reimbursement policies. WG&M further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, their estates, and all parties in interest.

35. As the Court is aware, substantial work was performed by WG&M in preparing the chapter 11 cases. Due to the successful conclusion of pre-filing negotiations with key creditor constituencies, the Debtors were able to file a "prepackaged" chapter 11 case, which involved the "first day" filing of the Plan and Disclosure Statement providing for significant debt reduction for these chapter 11 debtors. Substantial services were performed by WG&M in advance of the filing which, in turn,

was intended to set the stage for expedited chapter 11 cases which would have negligible adverse impact on the sensitive business operations of the Debtors.

36. The Debtors' chapter 11 cases, and their Plan, met little or no opposition from creditors or equity holders. WG&M was successful not only in maintaining the cases on a "fast track," with a duration of only 36 days, but in limiting the fees and expenses incurred to a very reasonable level. Most importantly, the day after confirmation, the Plan went "effective" with the closing of transactions converting a substantial amount of debt to equity.

37. As discussed above, WG&M received and currently holds a retainer of \$500,000.00 from the Debtors for chapter 11 services. Other professionals seeking compensation for services and reimbursement of expenses may also have received and hold retainers. By this Application, WG&M is seeking the authority to apply its retainer in satisfaction of the amounts allowed hereunder.

38. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by WG&M is fair and reasonable. Further, WG&M believes that this Application complies with section 330 of the Bankruptcy Code, the Bankruptcy Rules, the Guidelines adopted by the Executive Office for the United States Trustee for Reviewing Applications for Compensation and Reimbursement of Expenses, and Rule 2016-2 of the Local Rules.

39. In accordance with the Local Rules, annexed hereto as Exhibit "B" is a verification that a WG&M professional has reviewed this Application and the requirements of Rule 2016-2 of the Local Rules and believes that this Application substantially complies with the requirements thereof.

Briefing

40. This Application does not present any novel issues of law requiring briefing. Accordingly, pursuant to Rule 7.1.2.(a) of the Local Rules of Civil Practice and Procedure of the United States District Court for the District of Delaware (the “Local District Court Rules”), incorporated by reference into Rule 1001-1(b) of the Local Rules, the Debtors request that the Court set aside the briefing schedule set forth in Rule 7.1.2.(a) of Local District Court Rules.

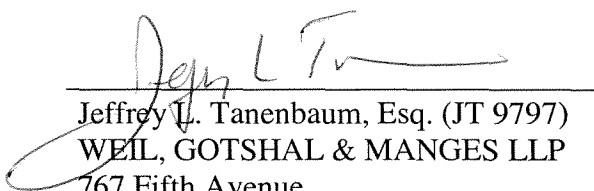
Notice

41. No trustee, examiner, or statutory creditors’ committee has been appointed in the chapter 11 cases. WG&M has served notice of this Application on (i) the U.S. Trustee, (ii) the attorneys for the Senior Noteholder Committee, and (iii) RL&F. In light of the nature of the relief requested, WG&M submits that no other or further notice need be provided.

Conclusion

WHEREFORE WG&M respectfully requests (i) final allowance of compensation for professional services rendered during the Compensation Period in the amount of \$395,531.50, (ii) reimbursement for actual and necessary disbursements WG&M incurred during the Compensation Period in the amount of \$6,510.19, (iii) the allowance of such compensation for professional services rendered and reimbursement of actual and necessary expenses incurred without prejudice to WG&M's right to seek additional compensation for services performed and expenses incurred during the Compensation Period, which were not processed at the time of this Application, and (iv) such other and further relief as is just.

Dated: Wilmington, Delaware
March 10, 2005



Jeffrey L. Tanenbaum, Esq. (JT 9797)
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors and
Reorganized Debtors