

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

In re	)	
	)	Chapter 11 Case
	)	
INACOM CORP., <u>et al.</u> , <sup>1</sup>	)	Case No. 00-2426 (PJW)
Debtors.	)	Jointly Administered
	)	Hearing: September 19, 2003 at 9:30am
	)	Objections: August 4, 2003 at 4:00pm

**FINAL FEE APPLICATION OF SCHULTE ROTH & ZABEL LLP  
FOR COMPENSATION AND SERVICES RENDERED  
AND REIMBURSEMENT OF EXPENSES AS COUNSEL  
TO DEBTORS AND DEBTORS-IN-POSSESSION FOR THE PERIOD  
FROM SEPTEMBER 13, 2000 THROUGH SEPTEMBER 30, 2002 INCLUSIVE**

Name of Applicant:	Schulte Roth & Zabel LLP
Authorized to Provide Professional Services to:	Debtors and Debtors-in-possession
Date of Retention:	Order Granting Retention entered December 7, 2000 <i>nunc pro tunc</i> to September 13, 2000
Period for which Compensation and Reimbursement is Sought:	September 13, 2000 through September 30, 2002
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$79,914.00
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$15,440.17
This is a: <u>      </u> monthly <u>      </u> interim <u>  X  </u> final application.	

<sup>1</sup> The Debtors are the following entities: InaCom Corp.; InaCom Latin America; InaCom Solutions, Inc.; InaCom Communications, Inc.; Inacom Financial Services, Inc.; Perigee Communications, Inc.; Networks, Inc.; Gorham Clark, Inc.; InaCom International, Inc.; InaCom Tennessee, Inc.; InaCom Professional Services, Inc.; Kure Associates, Inc.; Office Products of Minnesota, Inc.; Boston Computer Exchange Corporation; PC Technical Services, Inc.; Vanstar Corporation; Computerland International Development, Inc.; Computerport World Trade, Inc.; Vanstar International Corporation; VST West, Inc.; VST Illinois, Inc.; VSTNC, Inc.; Cland Tex, Inc.; InaCom Government Systems, Inc.; Contract Data, Inc.; Computer Professionals, Inc.; Vanstar Professional Technical Services, Inc.

**Prior Applications Filed:**

<u>Date Filed</u>	<u>Period Covered</u>	<u>Requested Fees</u>	<u>Requested Expenses</u>	<u>20% Fee Holdback</u>	<u>Paid Fees</u>	<u>Paid Expenses</u>
1/30/01	9/13/00 – 1/03/01	\$22,741.60	\$7,724.00	\$5,685.40	\$28,427.00	\$7,724.00
6/20/01	1/04/01 – 5/31/01	\$8,311.20	\$378.20	\$2,077.80	\$10,389.00	\$378.20
11/02/01	6/01/01 – 9/30/01	\$2,926.64	\$122.94	\$731.60	\$3,658.00	\$122.94
1/25/02	10/01/01 – 12/31/01	\$2,511.00	\$85.72	\$502.20	\$0	\$0
7/19/02	1/01/02 – 6/30/02	\$1,620.00	\$29.63	\$324.00	\$1,620.00	\$29.63
10/30/02	7/01/02 – 9/30/02	\$26,627.20	\$7,099.68	\$6,661.80	\$33,309.00	\$7,099.68

Name of Professional Individual	Position; year assumed, prior relevant experience, year of obtaining relevant license to practice	Hourly Billing Rate (including changes)	Total Hours Billed	Total Compensation
Daniel J. Kramer	Partner (left SRZ in June 2002); Member of NY Bar since 1985.	\$470 (9/13/00 through 1/3/02); \$525 (1/4/01 through 5/31/01).	39.5	\$17,525.00
Michael E. Swartz	Associate from 9/13/00 through 12/31/01; Partner from 1/1/02 through the present; Member of NY Bar since 1992.	\$360 (9/13/00 through 1/3/01); \$385 (1/4/01 through 5/31/01); \$450 (7/1/02 through 9/30/02).	16.6	\$6,477.00
Matthew L. Craner	Associate; Member of NY Bar since 1998.	\$265 (9/13/00 through 1/4/01); \$310 (1/4/01 through 12/31/01); \$360 (1/1/02 through 9/30/02).	131.9	\$41,770.00
Laura Martin	Associate (left SRZ in 2003); Member of NY Bar since 2000.	\$280.00 (7/1/02 through 9/30/02).	28.7	\$7,840.00
Howard Kogan	Paralegal	\$130.00 (7/1/02 through 9/30/02).	6.2	\$1,079.00
John Morris	Paralegal	\$90.00 (7/1/02 through 9/30/02).	40.5	\$3,645.00
Juan Nolosco	Technical Support	\$135 (9/13/00 through 1/3/01).	1.0	\$135.00

<b>Name of Professional Individual</b>	<b>Position; year assumed, prior relevant experience, year of obtaining relevant license to practice</b>	<b>Hourly Billing Rate (including changes)</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Valerie Gammache	Paralegal	\$125 (1/4/01 through 5/31/01).	1.1	\$137.50
Susan Rattigan	Paralegal	\$85 (9/13/00 through 1/3/01).	11.5	\$977.00
Lydia Huban	Paralegal	\$85 (1/4/01 through 5/31/01).	3.5	\$297.50

**GRAND TOTAL:** **\$79,914.00**  
**TOTAL HOURS** **280.5**  
**BLENDED RATE:** **\$284.90**

#### **COMPENSATION BY PROJECT CATEGORY**

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees Requested</b>
Regulatory (Including Nunc Pro Tunc Application)	226.9	\$63,451.00
Fee Applications	45.5	\$14,059.00
Case Administration	8.1	\$2,404.00

### EXPENSE SUMMARY

Expense Category	Service Provider	Total Expenses
Duplicating		\$2,513.39
Duplicating/Outside Vendor	Lex Business Solutions	\$5,168.16
Telephone		\$231.21
Courier Services	Federal Express	\$393.35
Postage		\$1.57
Secretarial Overtime		\$322.50
Automated Document Production		\$811.00
Facsimile		\$93.04
Attorney & Paralegal Meals		\$294.69
Automated Legal Research		\$75.81
Local Travel		\$301.87
Long Distance Travel & Meals		\$4,794.44
Conference Meals and Meeting		\$410.13
Binding and Tabs		\$3.00

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**FINAL FEE APPLICATION OF SCHULTE ROTH & ZABEL LLP  
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TO DEBTORS AND DEBTORS-IN-POSSESSION FOR THE PERIOD  
FROM SEPTEMBER 13, 2000 THROUGH SEPTEMBER 30, 2002 INCLUSIVE**

Pursuant to §§ 330 and 331 of Title 11 of the United States Code (the "Bankruptcy Code"), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and the Court's Administrative Order Pursuant to §§ 105(a) and 331 of the Bankruptcy Code Modifying Procedures for Allowance and Payment of Monthly Interim Compensation and Reimbursement of Expenses of Professionals, entered December 12, 2000, Schulte Roth & Zabel LLP ("SRZ") hereby files this Final Fee Application For Compensation And Services Rendered And Reimbursement Of Expenses for September 13, 2000 through September 30, 2002, inclusive (the "Application"). By this Application, SRZ seeks final approval of its compensation in the amount of \$79,914.00 and reimbursement of actual and necessary expenses in the amount of \$15,440.17 for a total of \$95,354.17 for the period September 13, 2000 through September 30, 2002 (the "Period"). In support of this Application, SRZ respectfully represents as follows:

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<sup>1</sup> The Debtors are the following entities: InaCom Corp.; InaCom Latin America; InaCom Solutions, Inc.; InaCom Communications, Inc.; Inacom Financial Services, Inc.; Perigee Communications, Inc.; Networks, Inc.; Gorham Clark, Inc.; InaCom International, Inc.; InaCom Tennessee, Inc.; InaCom Professional Services, Inc.; Kure Associates, Inc.; Office Products of Minnesota, Inc.; Boston Computer Exchange Corporation; PC Technical Services, Inc.; Vanstar Corporation; Computerland International Development, Inc.; Computerport World Trade, Inc.; Vanstar International Corporation; VST West, Inc.; VST Illinois, Inc.; VSTNC, Inc.; Cland Tex, Inc.; InaCom Government Systems, Inc.; Contract Data, Inc.; Computer Professionals, Inc.; Vanstar Professional Technical Services, Inc.

## **BACKGROUND**

1. On June 16, 2000 (the "Petition Date"), each of the Debtors filed a petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). On June 30, 2000, the United States Trustee for the District of Delaware (the "United States Trustee") appointed a creditors' committee (the "Creditors' Committee") in these Chapter 11 cases. No trustee or examiner has been appointed herein. The Debtors have continued in the possession of their respective properties and the management of their respective businesses as debtors-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code in order to effectuate an orderly liquidation of the Debtors' remaining business and assets.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. The Debtors' Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an Order previously entered by this Court.

4. The retention of SRZ was approved *nunc pro tunc* to September 13, 2000 by this Court's Order entered on December 7, 2000 (the "Retention Order"). SRZ was approved to act as special counsel to the Debtors in connection with certain regulatory and securities matters including, but not limited to, work in connection with an inquiry by the SEC and class action lawsuits filed against the Debtors. The Retention Order authorized SRZ to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

5. On June 22, 2000, the Court entered its Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals.

6. On December 12, 2000, the Court entered an Order Approving Debtors' Motion For Modification Of Prior Administrative Order Establishing Procedures For Interim Compensation and Reimbursement of Expenses of Professionals (the "Order"). Pursuant to the

procedures of the Order, no earlier than the 25th day of each calendar month, each Professional (as that term is defined in the Order) may file with the Court and serve on the Notice Parties (as that term is defined in the Order) a fee application for interim Court approval, pursuant to § 331 of the Bankruptcy Code, for services rendered and reimbursement of expenses incurred during the immediately preceding month. Pursuant to the Order, each Notice Party will have twenty (20) days after service of the fee application to object to the application. Upon the expiration of this time period, the Professional may file a certificate of no objection with the Court after which the Debtors are authorized to pay the Professional an amount equal to 80% of the fees and reimbursement for all 100% of expenses incurred on behalf of the Professional. If the Court grants the relief requested in a fee application, then the Debtors are authorized and directed to pay the Professional one hundred percent (100%) of the fees and one hundred percent (100%) of the expenses requested in the fee application, less any amounts previously paid in connection with the allowance of monthly interim applications, subject to final approval of all fees and expenses at a final hearing.

7. On January 30, 2001, SRZ filed its First Quarterly Interim Application seeking a quarterly interim allowance of compensation in the amount of \$28,471.00 and actual and necessary expenses in the amount of \$7,742.00 for the period September 13, 2000 through January 3, 2001 inclusive. No objections to SRZ's First Quarterly Interim Application were filed and the First Quarterly Interim Application was approved by Order of the Court on April 27, 2001. Accordingly, SRZ received payment for the entire amount sought in its First Quarterly Interim Application.

8. On June 11, 2002, InaCom Corp. and various of its affiliated debtors (collectively, the "Debtors") sued SR&Z in this Court (i) to avoid and recover alleged preferential transfers

pursuant to 11 U.S.C. §§ 547 and 550, (ii) to avoid and recover alleged fraudulent transfers pursuant to 11 U.S.C. §§ 548 and 550, and (iii) to disallow claims pursuant to 11 U.S.C. § 502(d). The action is still pending.

9. On June 20, 2001, SRZ filed its Second Quarterly Interim Application seeking a quarterly interim allowance of compensation in the amount of \$10,389.00 and actual and necessary expenses in the amount of \$121.94 for the period January 4, 2001 through May 31, 2001 inclusive. No objections to SRZ's Second Quarterly Interim Application were filed and the Second Quarterly Interim Application was approved by Order of the Court on July 11, 2001. Accordingly, SRZ received payment for the entire amount sought in its Second Quarterly Interim Application.

10. On November 2, 2001, SRZ filed its Third Quarterly Interim Application seeking a quarterly interim allowance of compensation in the amount of \$3,658.00 and actual and necessary expenses in the amount of \$122.94 for the period June 1, 2001 through September 30, 2001 inclusive. No objections to SRZ's Third Quarterly Interim Application were filed and the Third Quarterly Interim Application was approved by Order of the Court on November 7, 2001. Accordingly, SRZ received payment for the entire amount sought in its Third Quarterly Interim Application.

11. On January 25, 2002, SRZ filed its Fourth Quarterly Interim Application seeking a quarterly interim allowance of compensation in the amount of \$2,511.00 and actual and necessary expenses in the amount of \$85.72 for the period October 1, 2001 through December 31, 2001 inclusive. No objections to SRZ's Fourth Quarterly Interim Application were filed and the Fourth Quarterly Interim Application was approved by Order of the Court on February 22,

2002. SRZ has not received payment for the entire amount sought in its Fourth Quarterly Interim Application.

12. On July 19, 2002, SRZ filed its Fifth Quarterly Interim Application seeking a quarterly interim allowance of compensation in the amount of \$1,620.00 and actual and necessary expenses in the amount of \$61.38 for the period January 1, 2002 through June 30, 2002 inclusive. No objections to SRZ's Fifth Quarterly Interim Application were filed and the Fifth Quarterly Interim Application was approved by Order of the Court on August 9, 2002. Accordingly, SRZ received payment for the entire amount sought in its Fifth Quarterly Interim Application.

13. On October 30, 2002, SRZ filed its Sixth Quarterly Interim Application seeking a quarterly interim allowance of compensation in the amount of \$33,309.00 and actual and necessary expenses in the amount of \$7,099.68 for the period July 1, 2002 through September 30, 2002 inclusive. No objections to SRZ's Sixth Quarterly Interim Application were filed and the Sixth Quarterly Interim Application was approved by Order of the Court on November 26, 2002. Accordingly, SRZ received payment for the entire amount sought in its Sixth Quarterly Interim Application.

14. By this Application, SRZ seeks final approval for its compensation and reimbursement for all fees and expenses incurred on behalf of the Debtors from September 13, 2000 through September 30, 2002.

#### **THE APPLICATION REQUEST**

15. By this Application, SRZ requests that the Court authorize final approval of (a) compensation for professional services SRZ rendered during the Period for the Debtors in the amount of \$79,914.00 and (b) actual and necessary expenses SRZ incurred in connection with

the rendition of such professional services for the Debtors in the amount of \$15,440.11. SRZ attorneys and paralegals expended approximately 280.5 hours on these cases during the Period.

16. Other than the interim payments described above and the Prepetition Retainer described below,<sup>2</sup> SRZ has received no payment or promise of payment for the service rendered in these cases. No agreement or understanding exists between SRZ and any other entity for the sharing of compensation to be received for services rendered in or in connection with these cases.

### **Fee Statements**

17. SRZ maintains records of all fee services incurred in connection with the rendition of professional services. A summary of the fee services incurred by SRZ for the Period is attached as exhibits to each of SRZ's previously submitted monthly fee applications that accompanied its various quarterly interim fee applications. A cumulative summary of SRZ fee services is also attached as Exhibit A to this Application.

18. SRZ has maintained written records of the time expended by attorneys and paraprofessionals in these cases in accordance with Local Bankruptcy Rule 2014-1. Those time records are maintained contemporaneously with the rendition of services by each of SRZ's attorneys and paraprofessionals in the ordinary course of business. Such records set forth in detail the services rendered on behalf of the Debtors, the dates upon which such services were rendered, the nature of the services, the time spent and the identity of the attorney or

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<sup>2</sup> Prior to the Petition Date, SRZ received a retainer in the amount of \$100,000.00 (the "Prepetition Retainer") for services to be rendered to InaCom's Audit Committee and, later, its Board of Directors. Pursuant to a pre-petition agreement with InaCom Corp., SR&Z applied \$40,000 of the retainer on June 9, 2000, leaving a \$60,000 Prepetition Retainer balance. By invoice dated July 28, 2000, SRZ billed the Audit Committee \$17,915.67, of which \$16,253.59 was for pre-petition services. SRZ did not post a bookkeeping entry for this amount until November 9, 2000, prior to its application to serve as special regulatory counsel, when it made a bookkeeping entry reflecting its application of \$17,915.67 of the Prepetition Retainer. As of November 9, 2000, \$42,084.33 of the Prepetition Retainer remained.

paraprofessional who performed such services. Unless time was spent in one time frame on a particular matter, separate time entries are set forth in the time reports.

#### **Actual and Necessary Expenses**

19. SRZ also maintains records of all actual and necessary out-of-pocket expenses incurred in connection with the rendition of professional services. A summary of actual and necessary expenses incurred by SRZ for the Period is attached as exhibits to each of SRZ's previously submitted monthly fee applications that accompanied its various quarterly interim fee applications. A cumulative summary of SRZ expenses is also attached as Exhibit B to this Application..

20. SRZ believes the foregoing rates to be consistent with those charged by most law firms charge clients for such services. In addition, SRZ believes that such charges are in accordance with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's Statement of Principles dated January 12, 1995, regarding billing for disbursements and other charges.

21. This Application may not contain an itemization for all expenses incurred by SRZ in connection with its representation of the Debtors during the Interim Period. Because client expenses and disbursements are sometimes recorded later, SRZ reserves the right to request reimbursement of additional expenses for such amounts in connection with future applications.

#### **Summary of Services Rendered**

22. The professional services which SRZ performed during the Period were rendered and incurred in connection with these cases in the discharge of SRZ's professional responsibilities as special counsel for the Debtors in connection with certain regulatory and securities matters. SRZ's services have been necessary and beneficial to the Debtors and their estates, creditors and other parties-in-interest. The issues in these cases and the need to act or

respond on an expedited basis to those issues have required substantial time, including night and weekend work.

23. The work performed by SRZ included advising and updating Inacom's bankruptcy counsel and outside corporate counsel concerning SRZ's internal investigation and the findings from its investigation. Such work included travel to Los Angeles to meet with counsel, participating in preparation sessions and conference calls regarding the investigation of InaCom by the U.S. Securities and Exchange Commission ("SEC"), participating in telephone calls with the SEC, reviewing documents to be produced pursuant to an SEC subpoena, and responding to a subpoena *duces tecum*, issued by counsel for former officers of InaCom who are being sued by the SEC. SRZ, working in conjunction with InaCom's bankruptcy counsel, reviewed thousands of pages of documents and records, prepared a detailed privilege log, prepared and served objections and responses, negotiated the scope of the subpoena, and produced thousands of pages of documents and records.

24. SRZ's other services rendered during the Period involved preparing monthly and interim fee applications. It is appropriate for SRZ to include herein the reasonable time spent preparing fee applications. *See In re Busy Beaver Bldg. Centers, Inc.*, 19 F.3d 833, 846 (3rd Cir. 1994). SRZ also spent time administering this case.

25. The number of hours expended by SRZ's attorneys and paraprofessionals were actual, necessary and beneficial to the administration of the Debtors' cases.

**SRZ'S REQUEST FOR APPROVAL OF COMPENSATION**

26. SRZ attorneys and paraprofessionals expended a total of 280.5 hours in connection with these cases during the Period, as follows:

<b>Name of Professional Individual</b>	<b>Position; year assumed, prior relevant experience, year of obtaining relevant license to practice</b>	<b>Hourly Billing Rate (including changes)</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Daniel J. Kramer	Partner (left SRZ in June 2002); Member of NY Bar since 1985.	\$470 (9/13/00 through 1/3/02;  \$525 (1/4/01 through 5/31/01).	39.5	\$17,525.00
Michael E. Swartz	Associate from 9/13/00 through 12/31/01; Partner from 1/1/02 through the present; Member of NY Bar since 1992.	\$360 (9/13/00 through 1/3/01;  \$385 (1/4/01 through 5/31/01);  \$450 (7/1/02 through 9/30/02).	16.6	\$6,477.00
Matthew L. Craner	Associate; Member of NY Bar since 1998.	\$265 (9/13/00 through 1/4/01;  \$310 (1/4/01 through 12/31/01;  \$360 (1/1/02 through 9/30/02).	131.9	\$41,770.00

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Laura Martin	Associate (left SRZ in 2003); Member of NY Bar since 2000.	\$280.00 (7/1/02 through 9/30/02).	28.7	\$7,840.00
Howard Kogan	Paralegal	\$130.00 (7/1/02 through 9/30/02).	6.2	\$1,079.00
John Morris	Paralegal	\$90.00 (7/1/02 through 9/30/02).	40.5	\$3,645.00
Juan Nolosco	Technical Support	\$135 (9/13/00 through 1/3/01).	1.0	\$135.00
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Lydia Huban	Paralegal	\$85 (1/4/01 through 5/31/01).	3.5	\$297.50

<b>GRAND TOTAL:</b>	<b>\$79,914.00</b>
<b>TOTAL HOURS</b>	<b>280.5</b>
<b>BLENDED RATE:</b>	<b>\$284.90</b>

27. SRZ's hourly rates and fees charged by its professionals and paraprofessionals are consistent with the market rate for comparable services. The hourly rates and fees charged are the same as those charged to, and paid by, SRZ's other clients.

### **DISBURSEMENTS**

28. SRZ has disbursed actual, out-of-pocket expenses incurred in the rendition of professional services during the Period. The full description of the expenses are attached to SRZ's monthly fee applications and are also attached as Exhibit B to this Application. Such expenses were necessary and reasonable in scope and amount and do not include a charge for profit. Moreover, the expenses to be reimbursed comply with the provisions of Local Bankruptcy Rule 2014-1. Accordingly SRZ hereby requests reimbursement of such expenses in the amount of \$15,440.17.

29. The disbursements for which SRZ seeks reimbursement include the following:

- Long-Distance Telephone Services – SRZ's practice is to charge telephone costs at actual long distance telephone cost.
- Courier Services – SRZ's practice is to bill clients at actual cost.
- Duplication Services –
  - SRZ's practice is to bill clients at a cost of \$0.13 per page for copies made internally.
  - SRZ's practice is to bill clients at actual cost for duplicating services provided by outside vendors.
- Postage – SRZ's practice is to bill clients at actual cost.
- Facsimile – SRZ's practice is to charge \$0.50 per page plus costs for long distance calls.
- Attorney & Paralegal Meals – SRZ's practice is to bill client at actual cost.
- Automated Legal Research – SRZ's practice is to bill clients based on contracts with Lexis and Westlaw.

- Automated Document Production – SRZ's practice is to bill clients on an hourly basis.
- Local Travel – SRZ's practice is to bill clients actual cost for all travel expenses.
- Secretarial Overtime – SRZ's practice is to bill clients at the rate of \$43 per hour.
- Conference Meals and Meeting – SRZ's practice is to bill clients at cost.
- Binding and Tabs – SRZ's practice is to bill clients at cost.

30. In accordance with the factors enumerated in § 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by SRZ is fair and reasonable given: (a) the complexity of these cases; (b) the time expended; (c) the nature and extent of the services rendered; (d) the value of such services; and (e) the costs of comparable services other than in a case under this Title. Moreover, SRZ has reviewed the requirements of Local Bankruptcy Rule 2014-1 and believes that this Application complies with that Rule.

**WHEREFORE**, SRZ respectfully requests that the Court approve this Application providing that, for the period September 13, 2000 through September 30, 2002, inclusive, SRZ is entitled to the sum of \$79,914.00 as compensation for necessary professional services rendered, and the sum of \$15,440.17 for reimbursement of necessary costs and expenses, for a total of \$95,354.17, that such sums be authorized for payment, and for such other and further relief as this Court may deem just and proper.

**DATED:** July 9, 2003

Respectfully submitted,

By: Matthew L. Craner  
Matthew L. Craner  
SCHULTE ROTH & ZABEL LLP  
919 Third Avenue  
New York, NY 10022  
Telephone: (212) 756-2000  
Facsimile: (212) 593-5955

Special Counsel to Debtors and Debtors-in-Possession

**VERIFICATION**

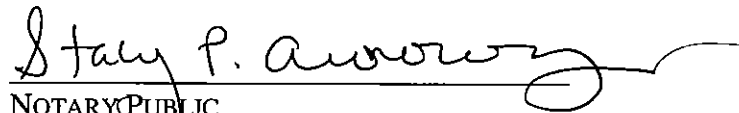
STATE OF NEW YORK     )  
                                      : ss.  
COUNTY OF NEW YORK    )

MATTHEW L. CRANER, being duly sworn, deposes and says:

1.     I am an associate of the firm of Schulte Roth & Zabel LLP ("SRZ"),  
which maintains offices for the practice of law at 919 Third Avenue, New York, New York  
10022.
2.     I have personally performed many of the legal services rendered by SRZ  
as counsel to the Debtors and am thoroughly familiar with the other work performed on behalf of  
the Debtors by the lawyers and paraprofessionals of SRZ.
3.     I have reviewed the foregoing Application and the facts set forth therein  
are true and correct to the best of my knowledge, information and belief. Moreover, I have  
reviewed Local Bankruptcy Rule 2014-1 and submit that the Application substantially complies  
with such Order.

  
MATTHEW L. CRANER

**SUBSCRIBED AND SWORN** to before me this 9th of July, 2003

  
NOTARY PUBLIC

STACY P. ARONOWITZ  
Notary Public, State of New York  
No. 02AR6038106  
Qualified in New York County  
Commission Expires March 6, 2006