

Fourth Interim Fee Application Objection Deadline: 6/27/00 @ 4:00 p.m.
Fourth Interim Fee Application Hearing Date: Negative Notice
Final Fee Application Objection Deadline: TBD
Final Fee Application Hearing Date: TBD

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re) Chapter 11
)
PURINA MILLS, INC., et al.,) Case No. 99-3938 (SLR)
)
) (Jointly Administered)
)
Debtors.)

NOTICE OF FEE APPLICATION

PLEASE TAKE NOTICE that on June 7, 2000, the above captioned debtors and debtors in possession (the "Debtors") filed and served the **Final Application for Allowance of Compensation and Reimbursement of Expenses to Deloitte Consulting LLC, As Restructuring Consultants to the Debtors for the Interim Period March 7, 2000 to April 2, 2000 and Final Approval of all Interim Applications** with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, DE 19801 (the "Court").

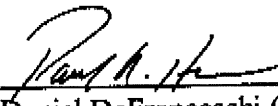
PLEASE TAKE FURTHER NOTICE that, in accordance with the Administrative Order, Pursuant to Section 105(a) and 331 of the Bankruptcy Code, Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated October 29, 1999, objections, if any, to the Fourth Interim Application must be made in writing, filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801, and be served upon and received by the undersigned counsel on or before 4:00 p.m. on June 27, 2000. A hearing date and objection deadline with respect to the Final Fee application will be determined at a later date.

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CLERK
U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

PLEASE TAKE FURTHER NOTICE that if no objections to the Fourth Interim Application are timely filed and served in accordance with the procedures described herein, the Court may enter an Order granting the relief requested without further notice or hearing. If an objection is properly filed and served and such objection is not otherwise resolved, or the Court determines that a hearing should be held in respect of the Application, a hearing will be scheduled at a time convenient to the Court. Only those objections made in writing and timely filed and received in accordance with the procedures described herein will be considered by the Court at such hearing.

Dated: June 7, 2000
Wilmington, Delaware


Daniel DeFranceschi (No. 2732)
Paul N. Heath (No. 3704)
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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:	:	
	:	Jointly Administered
PURINA MILLS, INC.,	:	Case No. 99-3938 (SLR)
a Delaware corporation, <u>et al.</u> ,	:	
	:	Chapter 11
Debtors.	:	

**FINAL APPLICATION OF
DELOITTE CONSULTING LLC FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Name of Applicant(s):	<u>Deloitte Consulting LLC</u>
Authorized to Provide Professional Services to:	<u>Purina Mills, Inc, et al.</u>
Date of Retention:	<u>October 28, 1999</u>
Period for which compensation and reimbursement is sought:	<u>March 7, 2000 to April 2, 2000</u> (Final Application)
Amount of Compensation sought as actual, reasonable and necessary:	<u>\$67,132.80</u> <i>total 665,731.40</i>
Amount of Expense Reimbursement sought as actual, reasonable and necessary:	<u>\$ 9,950.02</u> <i>total 85,172.13</i>
This is an: <u> </u> Interim <u> X </u> Final Application	

Deloitte Consulting is seeking final allowance of compensation and reimbursement of expenses for the postpetition period of March 7, 2000 to April 2, 2000 and all prior applications. The prior applications are disclosed below:

<u>Date Filed</u>	<u>Period Covered</u>	<u>Requested Fees and Expenses</u>	<u>Approved Fees and Expenses</u>
12/25/99	10/28/99 to 11/27/99	\$199,467.40 and \$ 17,324.37	
01/25/00	11/28/99 to 12/25/99	\$116,266.00 and \$ 16,741.31	\$116,266.00 and \$ 16,741.31
2/25/00	12/26/99 to 2/05/00	\$128,048.40 and \$ 16,906.33	\$128,048.40 and \$ 16,906.33
03/25/00	2/06/00 to 03/06/00	\$154,816.80 and \$24,250.10	

In Re: Purina Mills, Inc. et al.
Case No.: 99-3938 (SLR)

Purina Mills, Inc.
Deloitte Consulting Reorganization Services Group
Summary of Professional Fees
March 7, 2000 to April 2, 2000

<u>Name</u>	<u>Position</u>	<u>Billing Rate</u>	<u>Hours</u>	<u>Fees</u>
Bell, Alison	Business Analyst	145	4.0	\$580.00
Cuellar, Christi	Senior Consultant	280	35.8	\$10,024.00
Hamilton, David	Senior Manager	510	67.3	\$34,323.00
Hiser, Dennis	Director	575	45.3	\$26,047.50
Manrodt, John	Partner	650	12.5	\$8,125.00
Oser, Mark	Senior Consultant	335	44.3	\$14,840.50
Total Professional Hours & Fees		449*	209.2	\$93,940.00
Adjusted Professional Fees **				\$67,132.80

* Blended Hourly Rate

** Fees adjusted to reflect, first a 100% reduction in the hours charged by Christi Cuellar, and second an overall 20% negotiated fee reduction with the debtor.

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:	:	
	:	Jointly Administered
PURINA MILLS, INC.,	:	Case No. 99-3938 (SLR)
a Delaware corporation, <u>et al.</u>,	:	
	:	Chapter 11
Debtors.	:	

**FINAL APPLICATION FOR ALLOWANCE OF COMPENSATION
AND REIMBURSEMENT OF EXPENSES TO DELOITTE CONSULTING LLC,
AS RESTRUCTURING CONSULTANTS TO THE DEBTORS
FOR THE INTERIM PERIOD MARCH 7, 2000 TO APRIL 2, 2000
AND FINAL APPROVAL OF ALL INTERIM APPLICATIONS**

Deloitte Consulting LLC (hereinafter referred to as "Deloitte Consulting" or the "Applicant") moves pursuant to Sections 330 and 331 of Title 11 of the United States Code of Bankruptcy Rule 2016 for an Order awarding reasonable final compensation for professional services rendered as Restructuring Consultants to the Debtors in the amount of \$67,132.80 for the period of March 7, 2000 to April 2, 2000 (the "Final Application Period").

In support of this application, the Applicant represents as follows:

Background

1. On October 28, 1999 (the "Petition Date"), the Debtors commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

2. The Debtors are continuing in possession of their respective properties and are operating and managing their businesses, as debtors in possession, pursuant to sections 117 and 1108 of the Bankruptcy Code.

3. 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).

4. The Debtors filed a motion requesting that their chapter 11 cases be consolidated for procedural purposes only and administered jointly.

5. Debtor PM Holdings Corporation, a Delaware corporation, is the direct parent of Debtor Purina Mills, Inc., a Delaware corporation ("Purina"). Purina, in turn, is the direct or indirect parent of each of the other Debtors. The Debtors and their nondebtor subsidiaries (collectively, the "Purina Companies") are the largest feed manufacturers in the United States and are recognized as industry leaders in animal nutrition products and related research and management programs. The Purina Companies produce over 20,000 active feed formulas for farm, companion, exotic, lab and zoo animals and provide customers with related technical and consulting services.

6. The Purina Companies currently operate 49 feed mills located in 25 states and maintain a state-of-the-art 1,200-acre research facility. In fiscal year 1998, the Purina Companies generated revenue exceeding \$1 billion. As of August 31, 1999, the Purina Companies had approximately \$774 million in assets and \$753 million in liabilities on a consolidated basis. The Purina Companies currently employ approximately 2,500 full-time and part-time employees, maintain a dealer network comprised of approximately 4,500 dealers and provide goods and services to approximately 4,500 direct customers.

7. The U.S. Bankruptcy Court for the District of Delaware confirmed the Debtor's Second Amended Joint Plan of Reorganization on April 05, 2000. The Debtor anticipates emerging from Chapter 11 protection before the end of the second quarter. Emergence is contingent upon the completion of certain corporate restructuring matters, including certain securities requirements that must be accomplished in order to issue new publicly traded common stock to unsecured creditors under the terms of the Plan.

8. Deloitte Consulting applied to serve as restructuring consultants to the Debtors under its Application dated October 28, 1999. The Retention Order approving Deloitte Consulting was signed on December 13, 1999, and was nunc pro tunc to October 28, 1999.

9. The Retention Order authorized the retention of Deloitte Consulting to render to the Debtors the following services, which include but are not limited to the following:

- (a) assist the Debtors in connection with the identification, development and implementation of strategies related to the Debtors' business plan and other matters relating to the restructuring of the Debtors' business operations;
- (b) assist the Debtors in assessing the business and financial impact of various operational, financial and strategic restructuring alternatives;
- (c) assist the Debtors in their negotiation and due diligence efforts with other parties, including with respect to financing, plan of reorganization and other restructuring matters;
- (d) provide the Debtors with financial restructuring advice and assistance in connection with the development of any plan or plans of reorganization and related disclosure statements;

- (e) provide advice and recommendations designed to assist the Debtors with the refinement of their cash management and cash flow forecasting processes, including the monitoring of actual cash flow as compared to projections;
- (f) assist the Debtors in complying with chapter 11 financial reporting requirements;
- (g) assist the Debtors with their assessment of certain executory contracts on a limited basis, as requested by the Debtors in connection with the development of global restructuring strategies;
- (h) assist the Debtors in analyzing issues and developing strategies relating to the possible de-integration of the Debtors' business operations from Koch;
- (i) assist the Debtors' management in their development and execution of operationally oriented improvement opportunities, including supply-chain optimization, distribution, logistics and transportation issues;
- (j) assist the Debtors in evaluating and reconciling claims asserted against the Debtors, including potential reclamation claims;
- (k) attend and participate in hearings and meetings on matters within the scope of Deloitte Consulting's retention;
- (l) as agreed, advise and assist the Debtors with respect to such other related matters as the Debtors or their professionals may request from time to time; and
- (m) assist Deloitte & Touche LLP professionals with the delivery and execution of services described in the Deloitte & Touche application.

10. This application is made by Deloitte Consulting in accordance with Local Order #32 dated December 12, 1996, the Guidelines adopted by the Executive Office for the United States Trustee and the Administrative Order, Pursuant to Section 105(a) and 331 of the Bankruptcy Code, Establishing Procedures for Compensation and Reimbursement of Expenses of Professionals dated October 29, 1999. Pursuant to this application, Deloitte Consulting has attached the following exhibits:

(a) Exhibit A – Copy of the Retention Order authorizing employment of Deloitte Consulting;

(b) Exhibit B – Summary schedule showing the professionals who performed the services, the number of hours spent, the respective professional's billing rate and the total fees for such services;

(c) Exhibit C – Summary by Project Code, Summary of Professional Fees and itemized records, in chronological order, of each specific service for which an award of compensation is sought. The itemized records include: (1) the date each service was rendered, (2) the professional(s) who performed the service, (3) a description of the services rendered, and (4) the time spent performing the service in increments of tenths of an hour for the period March 7, 2000 to April 2, 2000;

(d) Exhibit D – Expense Summary and Expense Detail reports by individual, which itemize total expenses for which reimbursement is sought. The basis for calculating expenses is actual out-of-pocket expenses incurred. It does not reflect overhead or mark-ups. Business charges, such as telephone, facsimile and copier include direct charges and do not include machinery costs. This basis is consistent with that used for non-bankruptcy clients. It should also be noted that any airfare charges incurred as a result of travel in coach class; and

(e) Exhibit E – Affidavit of Thomas D. Williamson in accordance with Federal Bankruptcy rule 2106 and Local Order #32.

11. Fee and Expense Request – Applicant requests an award of \$67,132.80 for professional services and reimbursement of \$9,950.02 for necessary expenses incurred on behalf of the Debtors during the period from March 7, 2000 to April 2, 2000. For purposes of this fee application, we have voluntarily excluded approximately \$26,807.20 of fees which relate to a negotiated fee reduction with the Debtors, reimbursable work performed by individuals, quality control review time which may be construed as duplicative and administrative hours.

12. In rendering the services described herein, Deloitte Consulting expended a total of 209.2 hours during the period from March 7, 2000 to April 2, 2000. Deloitte Consulting has performed and completed a significant amount of work during the approximate one-month period as reflected in this fee application. The following table summarizes the total hours and professional fees charged by task description for the Final Fee Period:

Purina Mills, Inc.
Deloitte Consulting Reorganization Services Group
Summary of Professional Fees
March 7, 2000 to April 2, 2000

<u>Category</u>	<u>Description</u>	<u>Hours</u>	<u>Fees</u>
14	Fee Applications and Interim Billing	4.0	\$580.00
26	Logistics - Supply Chain Optimization	205.2	\$93,360.00
Total Professional Hours & Fees		209.2	\$93,940.00

SUMMARY OF SERVICES BY CODE AND DISCUSSION
OF NECESSITY AND BENEFIT TO THE ESTATE.

13. The services rendered by Deloitte Consulting during the Final Fee Period can be grouped into the main categories as summarized in the chart above and described in greater detail below. An even more detailed summary by task is included as Exhibit C. The professionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category are detailed in Exhibit C.

Category 14 – Fee Applications and Interim Billing – Applicant prepared and submitted application for fourth interim allowance of compensation and reimbursement of expenses to Deloitte Consulting LLC, as restructuring consultants to the Debtors for the period February 06, 2000 to March 06, 2000 pursuant to Sections 330 and 331 of Title 11 of the United States Code of Bankruptcy Rule 2016.

Total Time Expended: 4.0 hours

Total Fees : \$ 580.00

Category 26 – Logistics-Supply Chain Optimization – Applicant completed and presented findings and recommendations to Debtor of a supply chain diagnostic, focusing on the “micros” category. The presented findings outlined a framework and implementation path for achieving relatively immediate results for improving the financial performance of the Company through strategic sourcing. The deliverables included: commodity profiles for major classes of micros, alternative sourcing strategies, estimates of potential savings and plans for proceeding. Key activities to develop the above deliverables included several discussions with Company resources in the purchasing department, collection and analysis of sourcing data, and development of materials to summarize findings and recommendations.

Total Time Expended: 205.2 hours

Total Fees : \$ 93,360.00

14. Such services were reasonable and necessary in order for Deloitte Consulting to discharge its duties and obligations to the Debtors and this Court. Applying the usual and customary billing rates for the types of services performed to the time spent as generally accepted by the firm's clients, Deloitte Consulting incurred total gross fees of \$93,940.00 for the period from March 7, 2000 to April 2, 2000.

15. In rendering these services, Deloitte Consulting made every effort to maximize the benefit to the Estate and to work with other professionals employed in the case to avoid duplication of effort. The amount of services rendered by Deloitte Consulting to achieve the results obtained for the benefit of the Estate was reasonable in light of the complexity of the issues involved in this case. Deloitte Consulting judiciously allocated responsibilities to minimize possible duplication of efforts. Compensation is sought for participation by more than one professional only in instances where joint participation was necessary because of the significant impact of a particular meeting, the complexity of the problem involved, the specialization required or the need to preserve a continuity of representation. It is often necessary for more than one professional to attend a meeting to facilitate communication of information rather than to relay the information from individual to individual.

16. Other than as provided in Section 504(b) of the Bankruptcy Code, Deloitte Consulting has not shared, or agreed to share, any compensation received as a result of this case with any person, firm or entity. As disclosed in the Application for Retention of Deloitte Consulting, the Applicant has received a Retainer in the amount of \$95,000. This Retainer is being held by Deloitte Consulting for its sole use. No promises concerning compensation have been made to Deloitte Consulting by any firm, person or entity. The sole and exclusive source of compensation shall be funds of the Estate. Deloitte Consulting does not intend to seek authority to apply the retainer until its final fee application.

17. The Applicant asserts that compensation requested above is reasonable compensation for the actual and necessary services rendered based upon the time, nature and value of such services. Deloitte Consulting further asserts that the cost of services rendered for and on behalf of the Debtors is comparable to the cost of similar services in matters other than under the Bankruptcy Code.

18. In accordance with U.S. Trustee Guidelines, this application has been provided simultaneously to the debtors, but as of the date of this application the debtors have not yet reviewed nor approved the application.

19. In accordance with the Administrative Order, Pursuant to Section 105(a) and 331 of the Bankruptcy Code, Establishing Procedures for Compensation and Reimbursement of Expenses for Professionals (the "Administrative Order") Deloitte Consulting has submitted for this Final Fee Application.

Notice

20. No trustee or examiner has been appointed in these chapter 11 cases, and an Official Committee of Unsecured Creditors has been formed. Notice of this Application has been given to names pursuant to the Final Compensation and Reimbursement of Expenses of Professionals, who are the following: (i) the Debtors, c/o Purina Mills, Inc., 1401 South Hanley Road, St. Louis, Missouri 63144 (Attn: David G. Kabbes, Esq.); (ii) counsel to the Debtors, JONES, DAY, REAVIS & POGUE, North Point, 901 Lakeside Avenue, Cleveland, Ohio 44114 (Attn: Richard M. Cieri, Esq.); JONES, DAY, REAVIS & POGUE, 1900 Huntington Center, 41 South High Street, Columbus, Ohio 43215 (Attn: Jeffrey B. Ellman, Esq.); RICHARDS, LAYTON & FINGER, One Rodney Square North, P.O. Box 551, Wilmington, Delaware 19899 (Attn: Thomas L. Ambro, Esq.); (iii) the Office of the United States Trustee, 601 Walnut Street, Curtis Center, Suite 950 West, Philadelphia, Pennsylvania 19106 (Attn: John D. McLaughlin, Jr., Esq.); (iv) counsel to the Ad Hoc Noteholders' Committee, AKIN, GUMP, STRAUSS, HAUER & FELD, LLP, 590 Madison Avenue, 20th Floor, New York, New York, 10022 (Attn: Lisa G. Beckerman); (v) counsel to any other official committee appointed in these cases, pursuant to section 1102 of the Bankruptcy Code; and (vi) counsel to the Debtors' proposed postpetition lenders, STROOCK & STROOCK & LAVAN LLP, 180 Maiden Lane, New York, New York 10038 (Attn: Lewis Kruger, Esq.). In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is required.

No Prior Request

21. No prior request for the compensation sought in this Application has been made to this or any other court.

WHEREFORE, Deloitte Consulting respectfully requests that the Court enter an Order, substantially in the form attached hereto as Exhibit F, granting final allowance of compensation for professional services rendered by Deloitte Consulting to the Debtors during the period March 7, 2000 to April 2, 2000 in the amount of \$67,132.80 and reimbursement of necessary and reasonable out-of-pocket expenses in the amount of \$9,950.02 that the Debtors are authorized to pay the Applicant the balance due, and for such other and further relief as is just.

Dated: April ____, 2000

Respectfully submitted,

Thomas D. Williamson
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