

FILED

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

10/28/99
10/28/99

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

APPLICATION FOR COMPENSATION AND
FOR REIMBURSEMENT OF EXPENSES

Name of applicant: Jones, Day, Reavis & Pogue

Authorized to provide professional services to: The above-captioned debtors and reorganized debtors

Date of retention: October 28, 1999

Period for which compensation and reimbursement is sought: October 28, 1999 through June 29, 2000

Amount of compensation requested: \$2,470,815.70

Amount of expense reimbursement requested: \$298,114.04

This is an: interim final application

Approximately 62 hours have been spent by Jones Day attorneys and paraprofessionals after June 29, 2000 in preparing this application. Compensation for this time will be sought from the Debtors as previously authorized by the Court.

Attorneys' blended hourly rate during the compensation period: \$254.70

If this is not the first application filed, disclose the following for each prior application:

<u>Date Filed</u>	<u>Period Covered</u>	<u>Requested Fees, Expenses</u>	<u>Approved Fees, Expenses</u>
12/28/99	10/28/99 - 11/30/99	\$381,857.92	\$381,857.92
3/21/00	12/1/99 - 1/31/00	\$771,448.93	\$771,448.93
6/6/00	2/1/00 - 3/31/00	\$813,950.84	\$813,950.84
6/27/00	4/1/00 - 5/31/00	\$452,636.72	\$452,636.72

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Hearing Date: 10/18/00 @ 4:00 p.m.
Objection Deadline: 9/27/00 @ 4:00 p.m.

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FIFTH INTERIM AND FINAL APPLICATION OF
JONES, DAY, REAVIS & POGUE FOR ALLOWANCE
OF COMPENSATION AND REIMBURSEMENT OF EXPENSES

Dated: August 18, 2000

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ATTORNEYS FOR THE REORGANIZED
DEBTORS

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**FIFTH INTERIM AND FINAL APPLICATION OF
JONES, DAY, REAVIS & POGUE FOR ALLOWANCE
OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Jones, Day, Reavis & Pogue ("Jones Day"), counsel to the above-captioned debtors and reorganized debtors (collectively, the "Debtors"), hereby makes its fifth application for (i) interim allowance of compensation of \$300,607.30 and reimbursement of related expenses of \$48,428.03 for the period from June 1, 2000 through June 29, 2000 (the "Fifth Compensation Period"); (ii) final allowance of compensation of \$2,470,815.70 and reimbursement of related expenses of \$298,114.04 for the period from October 28, 1999 through June 29, 2000 (the "Combined Compensation Period");^{1/} and (iii) subject to the procedures described herein, final allowance of \$15,000.00 in estimated expenses incurred by Jones Day during the Combined Compensation Period but not yet billed due to delays in the applicable billing cycle for such

^{1/} The Combined Compensation Period is comprised of the Fifth Compensation Period and the following additional interim compensation periods for which Jones Day has previously filed fee applications in these cases (collectively, the "Prior Compensation Periods"): (a) October 28, 1999 through November 30, 1999; (b) December 1, 1999 through January 31, 2000; (c) February 1, 2000 through March 30, 2000; and (d) April 1, 2000 through May 31, 2000.

expenses (the "Estimated Expenses"). In support of this Application, Jones Day respectfully represents as follows:

PRELIMINARY STATEMENT

From the outset of these cases, the Debtors have demonstrated their commitment to completing the chapter 11 process as quickly as possible. As counsel to the Debtors, Jones Day aggressively pursued the Debtors' goal of achieving an expeditious reorganization of their businesses that maximizes the value of their estates for the benefit of all parties. With this goal in mind, the process of developing a plan of reorganization began in earnest even prior to the commencement of these cases on October 28, 1999 (the "Petition Date").

In the weeks leading up to the Petition Date, the Debtors engaged in substantial restructuring negotiations with (a) Koch Industries, Inc. ("Koch"), the Debtors' ultimate parent company as of the Petition Date; (b) the holders (collectively, the "Noteholders") of the Debtors' 9% Senior Subordinated Notes Due 2010 (the "Notes"), which represented the Debtors' largest group of unsecured creditors; and (c) the Debtors' prepetition secured bank group and postpetition lenders (collectively, the "Bank Group"), which represented the Debtors' largest group of secured creditors. With Jones Day's significant assistance, these negotiations and related activities continued after the Petition Date and culminated in (a) the formulation and preparation of the Second Amended Joint Plan of Reorganization of Purina Mills, Inc., Its Parent Corporation and Its Debtor Subsidiaries, as modified (the "Plan"), on a consensual basis with the Debtors' primary constituencies, as well as the preparation of a related disclosure statement (the "Disclosure Statement"); (b) the successful confirmation of the Plan at a hearing conducted on April 5, 2000 (the "Confirmation Hearing"), only five months after the commencement of these cases; and (c) the successful completion of the restructuring transactions contemplated by

the Plan and the Debtors' resulting emergence from chapter 11 on June 29, 2000 (the "Effective Date").

The success of the Plan development, confirmation and implementation process required the coordinated and dedicated efforts of numerous Jones Day bankruptcy, finance, securities, corporate, tax, litigation and employee benefits attorneys over the course of these cases to address the myriad of restructuring issues faced by the Debtors. These attorneys worked closely with the Debtors' management and the other key constituencies in these cases to ensure that the Debtors' restructuring efforts moved forward expeditiously and, to the fullest extent possible, on a consensual basis with all of the Debtors' major stakeholders. Among the primary activities relating to the Debtors' restructuring efforts, Jones Day assisted in (a) developing, refining and analyzing a settlement of restructuring issues between Koch and the Noteholders (the "Koch Settlement"), which formed the basis for the Plan; (b) negotiating the resolution of restructuring issues with the Bank Group (the "Bank Group Settlement"), including the treatment of the Bank Group's prepetition claims and the terms of a new exit financing facility (the "Exit Financing Facility"); (c) negotiating and drafting the terms of the Plan, including by incorporating the terms of the Koch Settlement and the Bank Group Settlement into the Plan; and (d) preparing the various documents necessary to implement the Koch Settlement, the Bank Group Settlement and the Plan, including the Disclosure Statement, numerous exhibits to the Plan, other corporate restructuring and securities documents required by the Plan and the documentation for the Exit Financing Facility.

Concurrently with all of these Plan-related activities, Jones Day took a leading role in the day-to-day administration of the Debtors' chapter 11 cases and in efforts to minimize the adverse impact of the Debtors' chapter 11 filings on the ongoing operation of the Debtors' businesses. For example, upon the commencement of these cases, Jones Day assisted the

Debtors in stabilizing their businesses and achieving a "soft landing" in chapter 11 through a series of motions in the initial weeks of these cases to address a variety of specific business concerns. Among other things, these motions and related activities permitted the Debtors to (a) pay prepetition employee wages and benefits without interruption, (b) complete a smooth transition of employee benefit programs and other corporate services from Koch to the Debtors, (c) honor prepetition obligations to customers and dealers necessary to preserve these key business relationships, (d) pay the prepetition claims of critical vendors and service providers essential to the continued operation of the Debtors' businesses, (e) pay a variety of claims necessary to achieve ongoing regulatory compliance and thus maintain critical operating licenses, (f) establish and maintain essential cash management procedures and (g) resolve numerous other important administrative issues.

In addition, immediately following the commencement of these cases, the Debtors filed a motion and took the other steps necessary to obtain approval of and implement a \$50 million debtor in possession financing facility (the "DIP Facility") with Chase Bank of Texas, National Association, as agent for the Debtors' postpetition lenders. The DIP Facility was negotiated to provide the Debtors with sufficient liquidity to maintain their operations during the pendency of these cases and was an essential component to the Debtors' smooth transition into chapter 11.

Throughout these cases, Jones Day also assisted the Debtors in numerous other matters necessary to comply with the Debtors' obligations as debtors in possession under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the "Bankruptcy Code"), and to accomplish business restructuring goals designed to maximize the value of the Debtors' estates for the benefit of all stakeholders. For example, in the immediate postpetition period, Jones Day assisted the Debtors in rejecting certain burdensome executory contracts to mitigate ongoing

losses under the Debtors' swine purchase program. Jones Day likewise assisted the Debtors in obtaining Court approval for certain sales of noncore assets, including the sale and leaseback of the Debtors' corporate headquarters in St. Louis. In addition, Jones Day assisted the Debtors in preserving certain core assets by, among other things, obtaining approval for the assumption of critical executory contracts and unexpired leases. For example, after extensive analysis and negotiations, Jones Day obtained approval for the assumption of an intellectual property license with Ralston Purina Company under which the Debtors license the use of their valuable "Purina" and "Chow" brand names and the widely-recognized nine-square checkerboard logo, all of which are critical to the Debtors' ongoing operations.

During these cases, Jones Day also devoted significant time to, among other things, the following: (a) assisting in the preparation of voluminous schedules of assets and liabilities, statements of financial affairs and other documents required by the Court or the United States trustee (the "U.S. Trustee"); (b) implementing procedures to administer the claims process in these cases, including by assisting in the analysis and reconciliation of the thousands of claims asserted against the Debtors' estates, the prosecution of objections with respect to certain of these claims and the development and implementation of an alternative dispute resolution program (the "ADR Program") to resolve disputed claims; (c) addressing and resolving numerous requests for relief from the automatic stay imposed by section 362 of the Bankruptcy Code; (d) completing the steps necessary for the Debtors to retain estate professionals and resolve other issues relating to the retention and payment of professionals; and (e) addressing numerous other bankruptcy, corporate and employee benefit issues that arose in the ordinary course of the Debtors' businesses during the pendency of these cases.

In sum, Jones Day's services in connection with the foregoing matters and the other matters described in this Application and the Prior Applications (as such term is defined

below) demonstrate Jones Day's central role in enabling the Debtors to achieve their business and legal objectives in these cases. Jones Day believes that its efforts on these various matters were instrumental in (a) achieving confirmation of the Plan on an expedited basis, only five months after the Petition Date; (b) accomplishing the Debtors' expeditious emergence from chapter 11 on the Effective Date; (c) addressing the various issues that arose in these cases efficiently and effectively, with minimal disruption to the Debtors' businesses or the need for involvement of the Court; and (d) maximizing the value of the Debtors' estates for the direct benefit of the Debtors' estates and stakeholders. Because of the substantial success that Jones Day helped bring to these cases, Jones Day submits that it is entitled to the interim and final allowance of the fees and reimbursement of the expenses requested herein.

BACKGROUND

General Background

1. On the Petition Date, the Debtors commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors' chapter 11 cases have been substantively consolidated and are being administered jointly.

2. On November 9, 1999, the U.S. Trustee appointed a statutory committee of unsecured creditors in these cases (the "Creditors' Committee"), pursuant to section 1102 of the Bankruptcy Code. In accordance with the terms of the Plan, the Creditors' Committee was dissolved as of the Effective Date.

3. Debtor Purina Mills, Inc., a Delaware corporation ("Purina"), 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 food 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. In addition, the Purina Companies currently (a) operate 48 feed mills located in 25 states, (b) maintain a state-of-the-art 1,200 acre research facility, (c) employ approximately 2,500 full-time and part-time employees, (d) maintain a dealer network comprised of approximately 4,500 dealers and (e) provide goods and services to approximately 4,500 direct customers.

4. On April 7, 2000, the Court entered an order (the "Confirmation Order") confirming the Plan. On the Effective Date, the Plan became effective in accordance with its terms, and the Debtors emerged from chapter 11 as reorganized entities.

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

Jones Day's Retention

6. On October 29, 1999, the Debtors filed their application to retain and employ Jones Day as their counsel (the "Retention Application"). On November 23, 1999, the Court entered an order (the "Retention Order") authorizing the retention of Jones Day as the Debtors' counsel to perform all necessary or appropriate legal services on behalf of the Debtors in connection with these chapter 11 cases, nunc pro tunc as of the Petition Date. A copy of the Retention Order is attached hereto as Exhibit A and incorporated herein by reference. As described in the Retention Application, Jones Day has charged for its services in these cases in accordance with its ordinary and customary hourly rates in effect on the dates that services were

rendered. These rates are identical to those charged by Jones Day for similar services in other bankruptcy and nonbankruptcy matters.

Incorporation of Prior Fee Applications

7. As identified on the cover sheet attached to this Application, Jones Day has filed four prior fee applications in these cases requesting interim allowance of fees and reimbursement of expenses for the Prior Compensation Periods (collectively, the "Prior Applications"). In support of the final allowance of fees and reimbursement of expenses sought in this Application, Jones Day incorporates the Prior Applications herein by reference.

RELIEF REQUESTED

Authority for Relief

12. Jones Day makes this Application pursuant to the following:

(a) sections 330(a) and 331 of the Bankruptcy Code; (b) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); (c) the Administrative Order, Pursuant to Sections 105(a) and 331 of the Bankruptcy Code, Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated October 29, 1999 (the "Interim Compensation Order"); (d) certain applicable provisions of the Guidelines for Applications for Compensation and Reimbursement of Expenses of Professionals adopted by the Office of the United States Trustee (the "Guidelines"); (e) Local Order #32 (Revising and Rescinding Order #27) of the United States Bankruptcy Court for the District of Delaware ("Local Rule 32"); and (f) Section III.A.1.g.ii.A of the Plan and Section III.C.1.b.1 of the Confirmation Order. A copy of the Interim Compensation Order is attached hereto as Exhibit B and incorporated herein by reference.

**Request for Interim and Final Allowance of
Compensation and Reimbursement of Expenses**

13. Jones Day hereby seeks interim allowance of compensation and reimbursement of expenses for the Fifth Compensation Period as follows:

a. Compensation of \$300,607.30 in connection with services rendered during the Fifth Compensation Period.^{2/} Jones Day has identified each of its professionals and paraprofessionals who provided services to the Debtors during the Fifth Compensation Period and their respective hourly rates on the professional summary attached hereto as Exhibit C and incorporated herein by reference. A summary of the total hours incurred and fees charged for each billing category — along with the related time detail — is attached hereto as Exhibit D and incorporated herein by reference; and

b. Reimbursement of actual and necessary expenses of \$48,428.03 incurred in connection with Jones Day's services. A summary and itemization of these expenses is attached hereto as Exhibit E and incorporated herein by reference.

14. In addition, Jones Day hereby seeks final allowance of compensation and reimbursement of expenses for the Combined Compensation Period as follows:

a. Compensation of \$2,470,815.70 in connection with services rendered during the Combined Compensation Period. Jones Day has summarized each professional's and paraprofessional's status and hourly billing rate for each month of the Combined Compensation Period in Exhibit C to this Application and in similar exhibits attached to each of the Prior Applications. The total hours incurred and fees charged for each major project area for each month of the Combined Compensation Period are set

^{2/} This amount includes fees aggregating \$1,778.90 relating to late-reported time for services performed in May 2000.

forth on Exhibit D to this Application and in similar exhibits attached to each of the Prior Applications. Likewise, the supporting monthly time detail for each month of the Combined Compensation Period is included in Exhibit D to this Application and in similar exhibits attached to each of the Prior Applications;

b. Reimbursement of actual and necessary expenses of \$298,114.04 connection with Jones Day's services during the Combined Compensation Period. Summaries and itemizations of these expenses are set forth in Exhibit E to this Application and in similar exhibits attached to each of the Prior Applications; and

c. Estimated Expenses of \$15,000.00 incurred during the Combined Compensation Period but not yet billed due to delays in the applicable billing cycle for such expenses (including filing fees, lien search costs and recordation and mortgage charges in connection with the implementation of the Exit Financing Facility). To the extent possible, Jones Day intends to provide detail liquidating the amount of certain of the Estimated Expenses (collectively, the "Liquidated Expenses") at or prior to the hearing on this Application (the "Final Hearing"); however, despite Jones Day's best efforts, it is possible that invoices for certain of the Estimated Expenses may not be available until after the Final Hearing, and these expenses thus may remain unliquidated at the time this Application is approved (collectively, the "Unliquidated Expenses"). Accordingly, Jones Day requests that Estimated Expenses in the amount of \$15,000.00 be approved at the Final Hearing to be paid as follows, without further application to or order of the Court: (i) the Debtors will pay the Liquidated Expenses upon approval of this Application and (ii) upon Jones Day's submission of a detailed invoice or invoices to the Debtors, the Debtors will pay any additional Unliquidated Expenses as they become liquidated, provided that (A) the aggregate amount of the Liquidated Expenses and the

Unliquidated Expenses will not exceed \$15,000.00 without further application to and order of the Court and (B) the Debtors maintain the right to contest the validity of any Unliquidated Expenses by filing an objection with the Court within ten Business Days after receiving the applicable invoice. Jones Day hereby certifies that the Unliquidated Expenses, once liquidated, will comply with Jones Day's expense policies set forth in paragraph 44 below.

15. In accordance with Section III.A.1.g.ii.A of the Plan and Section III.C.1.b.1 of the Confirmation Order, this Application seeks the allowance of compensation and reimbursement of expenses for the period prior to the Effective Date.^{3/} Pursuant to Section IV.A of the Plan and Section III.B.2 of the Confirmation Order, the Debtors are authorized to pay Jones Day's fees and expenses incurred for the period following the Effective Date, including the fees and expenses incurred in preparing and obtaining approval of this Application, without any further application to or approval by the Court. Accordingly, Jones Day does not request approval of its fees and expenses incurred in connection with this Application, but intends to seek payment of these amounts from the Debtors as previously authorized by the Court. Jones Day estimates that the total fees and expenses incurred in preparing and obtaining approval of this Application will be approximately \$15,000.00.

Prior Fee Applications and Payments to Jones Day

16. On December 28, 1999, Jones Day filed the First Application of Jones, Day, Reavis & Pogue for Interim Allowance of Compensation and Reimbursement of Expenses for the Period October 28, 1999 Through November 30, 1999, in which it sought payment of \$351,083.50 in fees and reimbursement of \$30,774.42 in expenses (the "First Application"). By

^{3/} In the exercise of due caution, however, Jones Day also seeks approval of all fees and expenses incurred on the Effective Date.

an order dated February 1, 2000, the Court granted the fees and expenses requested in the First Application in the aggregate amount of \$381,857.92. Subsequently, the Debtors paid this amount to Jones Day on or about March 6, 2000.

17. On March 21, 2000, Jones Day filed the Second Application of Jones, Day, Reavis & Pogue for Interim Allowance of Compensation and Reimbursement of Expenses for the Period December 1, 1999 Through January 31, 2000, in which it sought payment of \$640,243.40 in fees and reimbursement of \$131,205.53 in expenses (the "Second Application"). By an order dated April 18, 2000, the Court granted the fees and expenses requested in the Second Application in the aggregate amount of \$771,448.93. Subsequently, the Debtors paid this amount to Jones Day on or about May 9, 2000.

18. On or about June 5, 2000, Jones Day filed the Third Application of Jones, Day, Reavis & Pogue for Interim Allowance of Compensation and Reimbursement of Expenses for the Period February 1, 2000 Through March 31, 2000, in which it sought payment of \$775,509.20 in fees and reimbursement of \$38,441.64 in expenses (the "Third Application"). By an order dated August 10, 2000, the Court granted the fees and expenses requested in the Third Application in the aggregate amount of \$813,950.84. As of the date of this Application, however, no payments have been received by Jones Day on account of these approved fees and expenses.

19. On or about June 27, 2000, Jones Day filed the Fourth Application of Jones, Day, Reavis & Pogue for Interim Allowance of Compensation and Reimbursement of Expenses for the Period April 1, 2000 Through May 31, 2000, in which it sought payment of \$403,372.30 in fees and reimbursement of \$49,264.42 in expenses (the "Fourth Application"). By an order dated August 8, 2000, the Court granted the fees and expenses requested in the Fourth Application in the aggregate amount of \$452,636.72. As of the date of this Application,

however, no payments have been received by Jones Day on account of these approved fees and expenses.

20. Prior to the Petition Date, (a) the Debtors paid to Jones Day a retainer of \$150,000.00 (the "Retainer") and (b) Jones Day applied \$75,000.00 of the Retainer in satisfaction of estimated fees and expenses incurred prior to the Petition Date. Accordingly, as of the Petition Date, \$75,000.00 of the Retainer remained unapplied. The amount of the Retainer remaining on the Petition Date reflected deductions for the amount of estimated, rather than actual, fees and expenses incurred for the period prior to the Petition Date. On February 1, 2000, Jones Day filed the Disclosure of Jones, Day, Reavis & Pogue With Respect to Reconciliation of Prepetition Fees and Expenses (the "Reconciliation Statement"), which identified (a) Jones Day's reconciliation of prepetition fees and expenses actually incurred through October 27, 1999 and (b) the corresponding adjustments made to the application of the Retainer. As described in the Reconciliation Statement, in connection with Jones Day's ongoing reconciliation of the fees and expenses actually incurred through October 27, 1999, a reserve of \$10,000.00 of the Retainer was established and held by Jones Day as of February 1, 2000 on account of any additional late-reported prepetition fees and expenses (the "Prepetition Reserve Amount"). As of the date of this Application, (a) the amount of the Retainer held by Jones Day for payment of postpetition fees and expenses, after the adjustments described in the Reconciliation Statement, aggregates \$109,092.26; and (b) Jones Day holds an additional Prepetition Reserve Amount of \$8,621.42 after reductions on account of \$1,378.58 in prepetition expenses reported after February 1, 2000. Thus, the remaining portion of the Retainer currently held by Jones Day totals \$117,713.68 (the "Remaining Retainer Amount"). Jones Day intends to apply the Remaining Retainer Amount to any unpaid fees and expenses approved on a final basis pursuant to this Application.

21. Except as described in paragraphs 16 through 20 above, Jones Day has not received any payments or promises of payments from any source for services rendered in connection with these chapter 11 cases.

Description of Services Rendered by Jones Day During the Fifth Compensation Period

22. As described in the attached Exhibit D, Jones Day's professionals and paraprofessionals billed their time during the Fifth Compensation Period to 17 distinct project billing categories. Below is a summary of the primary activities performed by Jones Day during the Fifth Compensation Period in each of those billing categories. Although this summary is intended to highlight areas of particular importance in these cases, a complete description of all such activities is found in the contemporaneous, daily time records included in the attached Exhibit D. *Moreover, the descriptions of services performed during the Prior Compensation Periods are contained in the Prior Applications and the daily time records attached thereto.*

Case Administration (22.60 hours; \$2,742.20)

23. Due to the size and complexity of the Debtors' bankruptcy cases, daily case administration matters necessarily required attention from Jones Day during the Fifth Compensation Period. These case administration activities included the following:

- Jones Day maintained a detailed work in process report, which was distributed on a periodic basis to the Debtors' management and professionals (including Jones Day lawyers) to (a) track the progress of pending matters, upcoming deadlines and other activities relating to these chapter 11 cases, (b) ensure the coordination and timely completion of these activities and (c) avoid duplication of effort with respect to the numerous matters pending in these cases.
- Jones Day reviewed and analyzed numerous pleadings filed in these cases during the Fifth Compensation Period, as well as correspondence and other documents received on a regular basis from parties in interest.
- Jones Day established and maintained files of pleadings and other important documents in connection with the Debtors' reorganization cases. In accordance with the requirements of the Administrative Order

Establishing Case Management and Scheduling Procedures dated December 15, 1999 (the "Case Management Order"), Jones Day also maintained a general service list (the "General Service List"), which identifies each of the parties requesting service of papers in these cases.

Jones Day believes that its considerable attention to the efficient administration of these chapter 11 cases has resulted in cost savings that inure to the direct benefit of the Debtors and their estates.

Creditor Inquiries (0.90 hours; \$238.50)

24. During the Fifth Compensation Period, Jones Day professionals and paraprofessionals responded to inquiries from the Debtors' creditors and other parties in interest regarding (a) the status of the Debtors' chapter 11 cases, (b) requests for copies of papers filed in these cases and (c) other general case information.

Meetings (29.00 hours; \$7,216.00)

25. During the Fifth Compensation Period, Jones Day lawyers participated in or prepared for meetings with the Debtors and other parties in interest to assist in (a) the administration of the thousands of claims asserted in these chapter 11 cases, including the analysis of these claims for objection, the development of a global objection strategy and the implementation of the ADR Program; and (b) the implementation of the Plan, including the completion of the numerous steps necessary to satisfy the conditions to the occurrence of the Effective Date and preparations to make distributions to creditors under the Plan.

Executory Contracts and Unexpired Leases (24.00 hours; \$5,391.50)

26. During the Fifth Compensation Period, Jones Day assisted the Debtors in addressing certain matters relating to executory contracts and unexpired leases, including the following:

- During the Fifth Compensation Period, Jones Day continued to counsel the Debtors in analyzing whether to assume or reject their executory contracts

and unexpired leases. With Jones Day's assistance and in accordance with the terms of the Plan, the Debtors amended their schedules of assumed, assumed and assigned and rejected contracts and leases during the Fifth Compensation Period.

- Immediately prior to the Fifth Compensation Period, Eastern Minerals, Inc. ("Eastern Minerals") filed a notice under section 365(n)(1)(B) of the Bankruptcy Code (the "Eastern Minerals Notice") stating that Eastern Minerals was electing to retain certain rights to intellectual property under a rejected license agreement (the "License Agreement"). Jones Day devoted time to researching the impact of the Eastern Minerals Notice and formulating a strategy to respond to Eastern Minerals. Jones Day then prepared a response letter to Eastern Minerals' counsel clarifying the impact of the Eastern Minerals Notice on the parties' respective rights and obligations under the License Agreement on a going-forward basis.
- Following the entry of the Confirmation Order, the Debtors served a notice (the "Assumption Notice") on each party to an executory contract or unexpired lease identified for assumption or assumption and assignment under the Plan describing (a) the proposed assumption or assumption and assignment and (b) the amount necessary to cure defaults under the applicable contract or lease. During the Fifth Compensation Period, Jones Day assisted the Debtors in responding to certain formal and informal objections to the Assumption Notices. With Jones Day's assistance, all but one of the asserted objections was resolved prior to the conclusion of the Fifth Compensation Period. A resolution of the remaining objection is in process.

Automatic Stay/Adequate Protection (17.60 hours; \$3,825.50)

27. During the Fifth Compensation Period, the Debtors were faced with numerous issues relating to the imposition of the automatic stay under section 362 of the Bankruptcy Code. Jones Day, therefore, devoted time to advising the Debtors on the application and effects of the automatic stay and addressing requests from third parties relating to the automatic stay. In particular, prior to and during the Fifth Compensation Period, the Debtors received certain informal requests for modification of the automatic stay or for adequate protection, including a request by American State Bank ("ASB") to permit a foreclosure of certain property over Purina's junior lien. In addition, a number of creditors filed motions for relief from the automatic stay or for adequate protection, including John Deere Credit, Inc.

("John Deere"); Leisa and E. Michael Linnane (collectively, "Linnane"); and Brandywine Dabney, L.L.C. ("Brandywine Dabney").

28. During the Fifth Compensation Period, Jones Day devoted time to addressing these formal and informal requests for relief from the automatic stay, including by (a) assisting the Debtors in developing an appropriate strategy to address each of the requests to lift the automatic stay, (b) analyzing issues raised by the parties seeking relief from stay, (c) conducting negotiations to resolve such requests and (d) drafting proposed settlement documents. During and after the Fifth Compensation Period, the lift stay requests of ASB, John Deere, Linnane and Brandywine Dabney were resolved.

Plan of Reorganization/Disclosure Statement (105.20 hours; \$23,865.00)

29. As described above, the Plan was confirmed by the Court prior to the Fifth Compensation Period at the Confirmation Hearing held on April 5, 2000. Nevertheless, significant work remained to be completed during the Fifth Compensation Period to implement the Plan and satisfy the conditions to the Plan's effectiveness. Jones Day thus devoted significant resources to these Plan implementation activities during the Fifth Compensation Period, culminating in the occurrence of the Effective Date and the Debtors' emergence from chapter 11 on June 29, 2000.

30. Among other things, Jones Day devoted time during the Fifth Compensation Period to the following activities related to the Plan:

- Jones Day lawyers prepared and revised the numerous documents necessary to implement the Plan, including certain of the ancillary documents filed with the Court as exhibits to the Plan and other corporate restructuring and financing documents.^{4/}

^{4/} Because certain of these documents relate directly to the corporate structure and

(continued...)