

Objection Deadline: 8/24/00 @ 4:00 p.m.
Hearing Date: Negative Notice

FILED/RECEIVED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

AUG 24 AM '00

U.S. BANKRUPTCY COURT
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 August 4, 2000, the above captioned debtors and debtors in possession (the "Debtors") filed and served the **Sixth Application of Yantek Enterprises for Interim Allowance of Compensation and Reimbursement of Expenses for the Period May 1, 2000 through May 31, 2000** (the "Application").

PLEASE TAKE FURTHER NOTICE that objections, if any, to the 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 August 24, 2000.

PLEASE TAKE FURTHER NOTICE that if no objections to the 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

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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: August 4, 2000
Wilmington, Delaware

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Daniel DeFranceschi (No. 2732)

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Attorneys Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:	:	Jointly Administered
	:	Case No. 99-3938 (SLR)
PURINA MILLS, INC.,	:	
a Delaware Corporation, <u>et al.</u> ,	:	Chapter 11
	:	
	:	
Debtors.	:	
	:	NOTICE OF SIXTH APPLICATION
	:	OF YANTEK ENTERPRISES FOR
	:	INTERIM ALLOWANCE OF
	:	COMPENSATION AND REIMBURSEMENT
	:	<u>OF EXPENSES</u>

Yantek Enterprises hereby makes its Sixth application (the "Application") for interim allowance of compensation of \$63,595.50 and reimbursement or related expenses of \$10,824.61 for the period (the "Sixth compensation Period") from May 1, 2000 through May 31, 2000.

Dated: July 21, 2000

Frank R. Yantek
Yantek Enterprises
8097 Sacred Heart Lane
Cincinnati, OH 45255
(513-474-4518)

BACKGROUND

A. Background and Status of Chapter 11 Cases

1. On the Petition Date, Purina Mills, Inc., ("Purina") and the other above-captioned debtors and debtors in possession (collectively, the "Debtors") filed voluntary petition for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. Sections 101-1330 (the "Bankruptcy Code").

2. The Debtors have remained in possession of their respective property and are operating their businesses as debtors in possession pursuant to section 1107 and 1108 of the Bankruptcy Code. The Debtors' cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of this Court.

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). The venue of these chapter 11 cases and this Application is proper pursuant to 28 U.S.C. 1408 and 1409. Yantek Enterprises ("Yantek") makes this Application pursuant to the following: (a) section 330(a) and 331 of the Bankruptcy Code, (b) Federal Rule of Bankruptcy Procedure 2016, (c) Local Bankruptcy Rule 4.4, (d) the Order on Procedure of Allowance and Payment of Professional Interim Fees and Expenses entered on October 29, 1999 (the "Interim Compensation Order:), and (e) certain applicable provisions of the Guidelines for Applications for Compensation and Reimbursement of Expenses of Professional adopted by the Office of the United States Trustees (the "U.S. trustee:).

B. The Retention of Yantek Enterprises

4. On October 29, 1999, the Debtors sought to retain and employ Yantek Enterprises ("Yantek") to assist in administering their executory

contracts. On December 9, 1999, the Court entered an order (the "Retention Order")¹ authorizing Yantek's retention as contract consultant.

5. Yantek is particularly well suited to represent the Debtors. Yantek has participated in some of the largest and most complex cases under the bankruptcy Code, including the chapter 11 cases of Montgomery Wards Inc.; Federated Department Stores, Inc.; Allied Stores Corporation; R.H. Macy & Co.; The Elder-Beerman Stores Corp.; and Wang Labs, Inc.

RELIEF REQUESTED AND REASONS THEREFOR

A. Request for Interim Allowance of Compensation and Reimbursement of Expenses

6. Yantek Enterprises hereby seeks interim allowance of compensation and reimbursement of expenses in connection with the services rendered by Yantek during the Sixth Interim Compensation Period and for the period from June 1, 2000 through June 30, 2000 as follows:

a. Compensation of \$63,595.50 in connection with services rendered. Yantek has summarized each of its professional status and hourly billing rate in Exhibit B attached hereto and incorporated herein by reference;² and

b. Reimbursement of expenses of \$10,824.61 incurred in connection with Yantek Enterprises services. A summary and itemization

¹ A copy of the Retention Order is attached hereto as Exhibit A and incorporated herein by reference.

² Pursuant to paragraph 2(G) of the Interim Compensation Order, Yantek Enterprises has not filed its underlying daily itemized time records with this Application. These time records, which

of expenses is attached to this Application as Exhibit C and incorporated herein by reference.

B. Payments Already Made Pursuant to Monthly Statements

7. Pursuant to the Interim Compensation Order, professionals in these chapter 11 cases are authorized to submit a statement of fees and expenses (the "Monthly Statement") to the Debtors for payment on a monthly basis. Payment is held back until the next scheduled hearing on allowance of interim fees, at which time they become payable to the extent allowed by the Court.

8. Yantek Enterprises has submitted Monthly Statements to the Debtors as follows:

a. For April 1, through April 30, 2000--
fees of \$66,688.50 and expenses of \$ 15,105.06;

6 b. For May 1, through May 31, 2000--
fees of \$77,262.75 and expenses of \$13,762.33;

c. For June 1, through June 30, 2000--
fees of \$63,595.50 and expenses of \$ 10,824.61.

9. Yantek has not been paid any of fees or expenses for the months of April, May or June 2000.

10. Yantek has filed four fee applications in these chapter 11 cases, but has only been paid for the First, Second, and Third Interim periods.

11. During the Compensation Period, Yantek did not receive any payments or promises of payments from any source for services rendered or to be rendered in connection with these chapter 11 cases.

12. Prior to the Petition Date, (a) the Debtors paid to Yantek a retainer of \$50,000.00 (the "Retainer") and (b) Yantek applied

\$28,680.13 of the Retainer in satisfaction of fees and expenses incurred prior to the Petition Date. Accordingly, as of the Petition Date, \$21,319.87 of the Retainer remained unapplied. Yantek will hold the unapplied portion of the Retainer as a postpetition retainer; however, Yantek will not apply any of the Retainer to fees and expenses incurred from and after the Petition Date unless and until authorized to do so by a further order of the Court.

C. Description of Services Rendered

14. Yantek has set forth below a summary of the services it rendered to the Debtors during the Sixth Compensation Period. Briefly, during the Sixth Compensation Periods Yantek provided 625.9 hours of service to the Debtors on a variety of executory contract issues.

Executory Contracts and Unexpired Leases

15. Yantek developed a system to educate executives on the hundreds of types of executory contracts in the retail environment. This included information worksheets that eventually helped identify the over 7,800 executory contracts to date.

16. Also, Yantek developed a database used to list and manage the executory contract data. This data base was then used to produce the Schedule of Executory Contracts and Unexpired Leases for non-real property.

17. Finalized the process of identifying and analyzing particularly burdensome Contracts to be rejected or in certain cases recharacterized as Secured Financings.

18. Worked with various associates to reconcile and determine estimated cure amounts for all assumed executory contracts and estimate potential damage claims for rejected contracts.

D. Description of Expenses Incurred

19. Yantek seeks reimbursement for actual, necessary expenses (the "Expenses") incurred in rendering services during the Sixth compensation Period. The total amount of the Expenses is \$10,824.61. The Expenses were reasonable and necessary in light of the services provided.

20. Yantek maintains the following policies with respect to Expenses:

- a. Yantek has retained documentation for all Expenses in excess of \$25.00, and upon request will provide such documentation to the Court, the U.S. trustee, the Debtors, and the Committee.
- b. No amortization of the cost of any investment, equipment, or capital outlay is included in the Expenses, nor does Yantek make a profit on any Expense.
- c. Meals charged to the Debtors were associated with out-of-town travel and did not exceed \$75.00 per person per day.
- d. Mileage was charged at the prevailing rate allowed by the IRS for tax deductions for mileage.

E. Adjustments to Fees and Expenses

21. Consistent with its own internal policies and in order to comply with the "reasonableness" requirements of section 330 of the Bankruptcy Code, Yantek has reviewed the service descriptions filed with its Monthly Statements and expense detail and has determined no adjustments are needed to be made to this Application.

LEGAL ARGUMENT

A. The Legal Standard

22. To grant a request for compensation pursuant to section 330 of the Bankruptcy Code, a court must find that such request is reasonable. The Bankruptcy Code provides that the same considerations apply to the making of interim awards of compensation under section 331 as to final allowances under section 330.

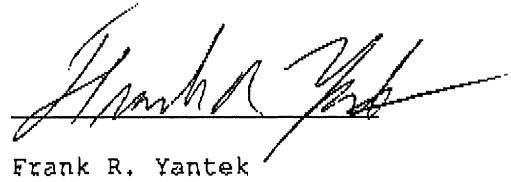
23. For all the foregoing reasons, the fees requested in this Application are reasonable and reflect the value of the services provided to the Debtors' estates. Moreover, Yantek has requested reimbursement only of actual and necessary expenses in compliance with the Interim Compensation Order. Finally, in accordance with the Guidelines, Mr. Yantek has certified that the Debtors have received, reviewed, and approved the Application.

24. Yantek requests that the Court waive the requirement under Local Bankruptcy Rule 5.4 that it file a separate memorandum of law in support of this Application.

WHEREFORE, Yantek respectfully requests that the Court enter an order substantially in the form of the order attached hereto as Exhibit D: (a) allowing on an interim basis compensation of \$63,595.50 for services rendered in the Sixth Compensation Period, (b) allowing on an interim basis the reimbursement of Expenses incurred during the Sixth Compensation Period of \$10,824.61 subject to any timely objection thereto, and (d) granting such other and further relief as the Court may deem Proper.

Dated: July 21, 2000

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Frank R. Yantek", written over a horizontal line.

Frank R. Yantek