

electronically shall prepare their Monthly Fee Application and deliver it to Pittsburgh counsel for the entity in this case for which it has been engaged and such counsel shall electronically file that Professionals' Monthly Fee Application. However, contemporaneous with the filing, all Professionals shall serve or cause to be served a copy of their own Monthly Fee Application upon the Official Service List then in effect for this bankruptcy proceeding (hereinafter the "Service Parties").

- (b) Objections to a Monthly Fee Application shall be served upon the affected Professionals and each of the Service Parties so that they are received no later than the fifteenth (15th) day of the month following service as set forth in subparagraph 1(a). Objections to a Monthly Fee Application must be in writing and must be specific as to the line item or task as to which objection is made.
- (c) No later than the twentieth (20th) day of the month following service of the Monthly Fee Application and the Quarterly Fee Application (as defined below) as set forth in subparagraph 1(a), the Professional shall certify to Reed Smith in writing either (i) that no objections have been received with regard to said Professional's Monthly and Quarterly Fee Application, or (ii) if an objection has been received, the amount of the undisputed portion of the Professional's Monthly and Quarterly Fee Application including therewith a copy of the objection as an attachment to such certification.

- (d) For the first and second months of a quarter, and within three (3) business days after having receive the Certification(s), Reed Smith shall file with the Clerk of the Bankruptcy Court and serve on the Debtor a copy of all Certification(s) received from the Professionals (the “Monthly Certifications”).
- (e) Within ten (10) days after receipt of the Monthly Certifications, the Debtor shall pay as an advance one hundred percent (100%) of the undisputed expenses and eighty percent (80%) of the undisputed fees set forth in the Monthly Certifications. This Administrative Order constitutes approval of the disbursal(s) of the advances authorized in this paragraph and applies individually with respect to each Application. Disbursal of the balance of 20% of the undisputed fees and disbursal of all disputed fees and expenses requested by each Applicant shall not be made pending further Order of this Court. Pursuant to 11 U.S.C. §§ 330 and 331, any and all disbursements as advances to each and any Applicant pursuant to this paragraph are subject to allowance, disallowance and/or disgorgement at the Quarterly Fee Application Hearings.
- (f) Monthly Fee Applications shall be filed for each month hereunder except for the last month of any quarter in which case a Quarterly Fee Application, as defined below, shall be filed. The Quarterly Fee Application shall not include another copy of the Monthly Fee Applications for the first two months’ of the quarter, but shall only include a reference in the narrative of the Quarterly Fee Application that sets forth each of the dates and docket

numbers at which the Monthly Fee Applications included in the relevant quarter were filed.

2. Quarterly Fee Applications.

- (a) On or before the last day of the month following the last month of the quarter for which compensation and reimbursement of expenses is sought, the Professionals that are qualified to do so shall file electronically with the Clerk of the Bankruptcy Court an application for approval and allowance of interim compensation pursuant to 11 U.S.C. § 331 for services rendered during the immediately preceding quarter (the “Quarterly Fee Application”). Professionals that are not qualified to file electronically shall prepare their Quarterly Fee Application and deliver the same to Pittsburgh counsel for the entity in this case for which it has been engaged and said counsel shall electronically file that Professionals’ Quarterly Fee Application. Counsel to the Debtors shall take care of service of the Quarterly Fee Applications upon the Service Parties. Professionals shall deliver two copies of the filed Quarterly Fee Application to counsel to Debtors. One copy will be used by counsel to the Debtors to take care of service of the Quarterly Fee Applications upon the Service Parties. The second copy of the filed Quarterly Fee Application should include the first two months’ of the relevant quarter’s fee applications as Exhibit B and will be hand delivered to Judge Fitzgerald.
- (b) Objections to said Quarterly Fee Applications (if any) shall be filed with the Clerk of the Bankruptcy Court and served upon the relevant

Professionals and each of the Service Parties by the date set forth in the notice scheduling a hearing on said Quarterly Fee Applications. Objections to a Quarterly Fee Application must be in writing and must be specific as to the line item or task as to which objection is made. Any person or entity served with the Quarterly Fee Applications must raise any objections within the time specified in the notice. Objections that could have been, but were not, raised in the Quarterly Fee Application process by persons or entities provided with notice will not be considered at the Final Fee Hearing. The procedure for the service and filing of the certifications of no objections to the Quarterly Fee Applications shall be as set forth in paragraphs 1(d) and (e) above.

- (c) Reed Smith shall prepare a spreadsheet of fees and expenses of all Professionals' Quarterly Fee Applications (on a quarterly and cumulative basis (by Category)) and promptly file the same with the Clerk of the Bankruptcy Court, but no later than five (5) business days prior to the date scheduled for a hearing on such Quarterly Fee Applications.
- (d) Hearings with respect to Quarterly Fee Applications shall be held in accordance with the schedule of omnibus hearings and applicable filing deadlines issued by the Court from time to time.
- (e) At the hearings with respect to the Quarterly Fee Applications the Court may allow or disallow any portion of the advance(s) authorized in subparagraph 1(e) above, may order disgorgement of any advance(s)

disbursed to any Applicant, and/or may authorize payment by the Debtor of any unpaid fees and expenses, including the 20% holdback, remaining from the monthly payments to Professionals under subparagraph 1(e) above.

3. Format of Fee Applications.

The format of all Fee Applications shall comply with Local Rule 9016.1 with the following clarifications:

- (a) Each Quarterly Fee Application (as opposed to a Monthly Fee Application) shall contain in narrative form a description of the services rendered by the Applicant;
- (b) The entries shall be arranged as follows, chronologically by category:
Timekeepers/date/service/time spent/amount charged/initials or name;
- (c) Each application shall contain as a separate exhibit a listing of the names, initials and hourly rate for each professional and paraprofessional and a designation of the title and number of years experience as a lawyer or paralegal who rendered services and make entries in the time period covered by the application;
- (d) Time shall be kept in intervals of not more than six minutes;
- (e) Expenses need not be itemized, but only summarized. For example:

Long distance phone calls	\$50.00
Photocopies	\$35.00
Postage	\$20.00
Faxes	\$20.00
Total	\$125.00

However, expenses shall be placed in a separate section of the fee application, and shall not be intermingled with the monthly invoices or summaries. Appropriate records shall be maintained by applicant in the event an entry is questioned.

- (f) All Professionals shall account for their time and services by category of service arranged chronologically under the same matter categories (the "Categories"). The initial Categories shall be:

- .01 General (Administrative Matters)
- .02 Petition, Schedules and Financial Reports
- .03 Cash Collateral/Adequate Protection
- .04 Trade Creditors Inquiries & Correspondence
- .05 Docket Review & Control
- .06 Executory Contracts and Leases
- .07 Reclamation
- .08 Pension and Employee Benefit Matters
- .09 Conferences with Client re: Miscellaneous
- .10 Disclosure Statement; Plan of Reorganization;
Exclusive Period
- .11 Insurance
- .12 Taxes and Compliance
- .13 Creditor Committee
- .14 Asbestos Claims, Management and Resolution and Proofs
of Claim
- .15 Miscellaneous Motions
- .16 Adversary Proceedings
- .17 Sales
- .18 Accounting Services
- .19 Billing Procedures, Fee Petitions and
Interim Compensation
- .20 Asbestos Insurance Coverage
- .21 Asbestos Claims Management
- .22 Travel

Additional Categories may be added beginning with Category 23 and continuing in sequence as the need arises without further Order of Court and it shall be the responsibility of the Professional desiring the new Category to coordinate among all Professionals so that they will be advised of the additional Category and its Category number to include on

their list. Neither the first 22 Categories nor any additional categories shall be deleted or altered, even though services are no longer being performed in that Category. Each fee petition shall contain a separator of some sort between each Category and between each other section of the Application.

- (g) Travel time shall be separately allocated. To the extent that the Professional does not perform services in this or any other case while traveling, compensation shall be allowed at one-half of the Professional's normal hourly rate. To the extent the Professional performs services in connection with another case or for another client while traveling, no compensation shall be allowed for the travel time.
- (h) For each Category there shall be a summary of the time and charges of each Professional who rendered services during the relevant billing and a cumulative total of the time and charges of all Professionals who rendered services in that Category.
- (i) Each Quarterly Fee Application shall contain a statement of the blended hourly rate of Professionals seeking compensation therein.
- (j) At the end of each of the Monthly and Quarterly Fee Application there shall appear a chart, substantially in the form of the example which follows, that summarizes the information contained in the Application for Compensation:

CATEGORIES	CURRENT		QUARTERLY		CUMULATIVE	
	HOURS	\$ VALUE	HOURS	\$ VALUE	HOURS	\$ VALUE
1. General	1.00	\$200.00	2.00	\$400.00	4.00	\$800.00

2. Petition, Schedules and Financial Reports	1.00	\$200.00	2.00	\$400.00	4.00	\$800.00
3. Cash Collateral / Adequate Protection	1.00	\$200.00	2.00	\$400.00	4.00	\$800.00
14. Creditors Committee	1.00	\$200.00	2.00	\$400.00	4.00	\$800.00
21. Billing Procedures, Fee Petitions, Interim Compensation	1.00	\$200.00	2.00	\$400.00	4.00	\$800.00
TOTAL	5.00	\$1,000.00	10.00	\$2,000.00	20.00	\$4,000.00

- (k) Special counsel shall account for their time and services under the Category or Categories for which they have been retained and, if appropriate may create subcategories within those Categories;
- (l) Accountant and Investment Bankers shall account for their time and services within the Categories to which their services apply and may also create subcategories as appropriate.

4. Reimbursement of Committee Members' Expenses.

Members of the Official Committees appointed in this case may apply for reimbursement of out-of-pocket expenses at quarterly intervals. The timing of the first such application shall coincide with the Quarterly Fee Applications filed pursuant hereto. The procedure for Court review of the requests by members of the Committees for reimbursement of out-of-pocket expenses incurred in connection with the case shall be the same as those governing the reimbursement of expenses incurred by Professionals as set forth herein.

5. Character of Interim Payments; Final Fee Hearings.

- (a) Unless stated in the Order approving Quarterly Fee Applications, the Quarterly Fee Applications shall be deemed interim allowances pending the final fee hearing, and shall, upon notice and a hearing, be subject to disgorgement by the Professional or Committee member receiving such payments.

- (b) The final fee hearing in this case shall be on notice to all parties in interest, equity security holders and the U.S. Trustee in accordance with Federal Rule of Bankruptcy Procedure 2002(a)(7).

6. This Order shall constitute a waiver of the requirement that attachments and exhibits not exceed ten pages in length found in the Local Rule 5005-1 Adopted by the Court on January 29, 2003 ECF Procedure #5, Attachments and Exhibits.

7. Notice of the Entry of this Order and Deadlines.

Reed Smith shall serve notice of the entry of this Order on all Professionals, the U.S. Trustee, persons and entities on the current Official Service List and all persons requesting

notice pursuant to Bankruptcy Rule 2002 and shall post or cause the Debtor to post this Order on the web site established for this case.

Dated: July 31, 2003
Pittsburgh, Pennsylvania

Judith K. Fitzgerald
Judith K. Fitzgerald, Chief Judge
United States Bankruptcy Court

cc: David Ziegler, Esq.

FILED
JUL 31 2003
JUDITH K. FITZGERALD
BANKRUPTCY JUDGE