

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

IN RE:)	Chapter 11
)	
OAKWOOD HOMES CORPORATION,)	Case No. 02-13396 (PJW)
<u>et al.</u> ,)	
Debtors.)	Jointly Administered
)	
)	Objections Due: 7/12/04
)	Hearing Date: 10/8/04 @ 1:30 pm

**THIRD INTERIM (FOR THE PERIOD APRIL 1, 2004 THROUGH APRIL 15, 2004)
AND FINAL APPLICATION OF ERNST & YOUNG LLP, AS ACCOUNTANTS FOR
THE DEBTORS AND DEBTORS-IN-POSSESSION, FOR ALLOWANCE OF INTERIM
AND FINAL COMPENSATION AND FOR INTERIM AND FINAL REIMBURSEMENT
OF ALL ACTUAL AND NECESSARY EXPENSES INCURRED**

Name of Applicant:	ERNST & YOUNG LLP
Authorized to Provide Professional Services to:	Debtors
Date of Retention:	August 1, 2003
Period for which Interim Compensation and reimbursement is sought:	April 1, 2004 through April 15, 2004
Period for which Final Compensation and reimbursement is sought:	August 1, 2003 through April 15, 2004
Amount of interim compensation sought as actual, reasonable and necessary:	\$46,267.50
Amount of interim reimbursement sought as actual, reasonable and necessary:	\$0.00
Amount of final compensation sought as actual, reasonable and necessary:	\$169,880.25
Amount of final reimbursement sought as actual, reasonable and necessary:	\$2,134.00
This is a(n) <u> </u> interim	<u> x </u> final application.

The total time expended for fee application preparation is approximately 11.8 hours and the corresponding compensation requested is approximately \$3,245.00.

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

DATE FILED	PERIOD COVERED	REQUESTED FEES/EXPENSES	APPROVED FEES/EXPENSES
03/19/2004	8/1/03 - 2/28/04	\$76,660.25/\$929.00	\$76,660.25/\$929.00
04/25/2004	3/1/04 - 3/31/04	\$46,952.50/\$1,205.00	\$46,952.50/\$1,205.00

OAKWOOD HOMES CORPORATION, et al.
(Case No. 02-13396 (PJW))

April 1, 2004 through April 15, 2004

Name of Professional Person	Position of the Applicant, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
Kimberly V. Brown	Manager	385	7.0	\$ 2,695.00
Elizabeth N. Buchbinder	Partner – National	650	1.0	650.00
Seth W. Davis	Senior	275	66.4	18,260.00
Frank R. DeLuca	Principal – Local	575	11.0	6,325.00
Nancy A. Flagg	Senior Manager	525	1.5	787.50
Marc T. Grossman	Manager	385	2.5	962.50
Michael R. Johnson	Senior Manager	525	8.9	4,672.50
Charles A. Long	Senior Manager	525	10.3	5,407.50
Kristie L. Lowery	Senior Manager	525	2.1	1,102.50
William Shawn Smith	Partner – Local	575	9.4	5,405.00
Total			120.1	\$ 46,267.50
GRAND TOTAL:		\$ 46,267.50		
BLENDED RATE:		\$ 385.24		

CUMULATIVE COMPENSATION SUMMARY BY PROJECT CATEGORY

Project Category	Total Hours For The Interim Period	Total Hours For the Final Period	Total Fees For The Interim Period	Total Fees For the Final Period
100 – Non-working Travel	0.0	18.9	\$ 0.00	\$ 3,373.75
101 – Internal Meetings of Staff	3.1	19.0	1,427.50	7,150.00
103 – Review Case Related Correspondence	0.0	9.0	0.00	4,277.00
104 – General Communications with Debtor / Management Company / Debtor's Counsel / Creditor Committee	2.3	9.3	707.50	3,882.50
106 – Preparation for and Attend Court Hearings	1.0	1.0	525.00	525.00

200 – Preparation / Attendance / Participation in Meetings / Calls with Debtor	0.0	36.3	0.00	15,526.50
201 – Preparation / Attendance / Participation in Meetings / Calls with Debtor's Counsel	0.0	5.4	0.00	1,860.00
204 – Meetings with Other Parties	0.3	2.2	82.50	1,080.00
300 – Preparation of Fee / Expense Applications	28.3	72.2	8,432.50	21,850.00
503 – Assistance with IRS Examinations and Related Issues	0.0	12.5	0.00	4,727.50
614 – Assistance with All Employment Tax Audits / Notices / Claims / Refunds	3.1	6.7	1,752.50	3,767.50
616 – Assistance with State and Local Tax Audits / Notices / Claims/ Refunds	20.5	75.8	9,982.50	33,393.00
625 – Assistance with Property Tax Audits/Notices/Claims/Refunds	61.5	199.5	23,357.50	68,467.50
Total	120.1	467.8	\$ 46,267.50	\$ 169,880.25

CUMULATIVE EXPENSE SUMMARY

Expense Category	Total Expenses For the Interim Period	Total Expenses For the Final Period
Out-of-Town Travel	\$ 0.00	\$ 1,908.00
Meals/Business Entertaining	0.00	167.00
In-house Duplicating	0.00	59.00
Total	\$ 0.00	\$ 2,134.00

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INTERIM AND FINAL COMPENSATION AND FOR INTERIM AND FINAL
REIMBURSEMENT OF ALL ACTUAL AND NECESSARY EXPENSES INCURRED**

The accounting firm of Ernst & Young, LLP (“E&Y” or “Ernst & Young”) submits this Third Interim and Final Application for Allowance of Compensation and Reimbursement of Expenses (the “*Application*”) for professional services rendered and costs incurred by Ernst & Young as accountants for Oakwood Homes Corporation, et al., debtors and debtors in possession herein (the “*Debtors*”) under 11 U.S.C. §§ 330 and 331, Rule 2016 of the Federal Rules Of Bankruptcy Procedure, Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedures of the United States Bankruptcy Court for the District of Delaware and the United States Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under 11 U.S.C. § 330 effective January 30, 1996 (the “U.S. Trustee Guidelines”) seeking (a) allowance of reasonable compensation for professional services rendered by Ernst & Young to the Debtors and (b) reimbursement of actual and necessary charges and disbursements incurred by Ernst & Young during the interim period beginning on April 1, 2004 and ending April 15, 2004 (the “*Interim Compensation Period*”) and the final period beginning on August 1, 2003 and ending on April 15,

2004 (the “*Final Compensation Period*”) in the rendition of required professional services on behalf of the Debtors. In support of this Application, Ernst & Young represents as follows:

BACKGROUND

1. On November 15, 2002 (the “*Petition Date*”), each of the Debtors commenced a reorganization case by filing a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “*Bankruptcy Code*”) in the United States Bankruptcy Court for the District of Delaware. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases.

2. On December 2, 2002, the United States Trustee appointed an official committee of unsecured creditors (the “*Committee*”) in these cases.

3. On March 31, 2004, this Court entered an order (the “*Confirmation Order*”) confirming the Second Amended Joint Consolidated Plan Of Reorganization Of Oakwood Homes Corporation And Its Affiliated Debtors And Debtors In Possession, Dated February 6, 2004 (the “*Plan*”). Under the Plan and Confirmation Order, the Court retained jurisdiction to consider final applications by retained professionals. These applications must be filed by June 28, 2004 at 4:00 p.m.

ERNST & YOUNG’S RETENTION

4. On October 21, 2003, the Debtors filed an Application for Approval of Ernst & Young as tax consultants and advisors for the Debtors *nunc pro tunc* to August 1, 2003 (the “*Application*”). A true and correct copy of the Application is attached hereto and incorporated herein as Exhibit A. The Application generally sought to employ Ernst & Young to render the following professional services as Ernst & Young and the Debtors deem appropriate and feasible in order to advise the Debtors in the course of these Chapter 11 cases, including the following: (1) Working with appropriate Company personnel and/or agents in developing an understanding of the business objectives related to the Company’s recent Chapter 11 filing, including understanding reorganization and/or restructuring alternatives the Company is evaluating with existing creditors that may result in a change in the equity, capitalization and/or ownership of the shares of the

Company or its assets; (2) Assisting and advising the Company in its bankruptcy restructuring objectives and post-bankruptcy operations by determining the most optimal tax manner to achieve these objectives, including, as needed, research and analysis of Internal Revenue Code sections, treasury regulations, case law and other relevant tax authority which could be applied to business valuation and restructuring models; (3) Tax consulting regarding availability, limitations, preservation and maximization of tax attributes, such as net operating losses and alternative minimum tax credits, minimization of tax costs in connection with stock or asset sales, if any, assistance with tax issues arising in the ordinary course of business while in bankruptcy, and, as needed, research, discussions and analysis of federal and state income and franchise tax issues arising during the bankruptcy period; (4) Assistance with settling tax claims against the Company and obtaining refunds of reduced claims previously paid by the Company for various taxes, including, but not limited to, federal and state income, franchise, payroll, sales and use, property, excise, and business license; (5) Assistance in assessing the validity of tax claims, including working with bankruptcy counsel to reclassify tax claims as non-priority; (6) Analysis of legal and other professional fees incurred during the bankruptcy period for purposes of determining the future deductibility of such costs; (7) Documentation, as appropriate or necessary, of tax analysis, opinions, recommendations, conclusions, and correspondence for any proposed restructuring alternative, bankruptcy tax issue or other tax matter described above; and (8) As requested by the Company, provide any additional tax consulting services not described above.

5. By Order, dated November 13, 2003 (the “*Employment Order*”), this Court entered an order approving the Debtors’ retention of Ernst & Young as tax consultants and advisors for the Debtors *nunc pro tunc* to August 1, 2003, pursuant to section 327(a) of the Bankruptcy Code. A true and correct copy of the Employment Order is attached hereto and incorporated herein as Exhibit B.

FEE PROCEDURES ORDER

6. On December 18, 2002, this Court signed an Administrative Order, pursuant to Sections 331 and 105 of the Bankruptcy Code, establishing procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the “*Fee Procedures Order*”).

RELIEF REQUESTED

7. Ernst & Young respectfully requests: (a) that Ernst & Young be allowed (i) interim compensation in the amount of \$46,267.50 for professional services rendered by it on behalf of the Debtors during the Interim Compensation Period and (ii) final compensation in the amount of \$169,880.25 for professional services rendered by it on behalf of the Debtors, together with reimbursement for actual and necessary expenses incurred in the amount of \$2,134.00 during the Final Compensation Period. As indicated above, Ernst & Young has filed two prior applications setting forth in detail actual and necessary professional services rendered on behalf of the Debtors, together with actual and necessary expenses incurred on behalf of the Debtors, for the period August 1, 2003 through March 31, 2004.¹ This Application is made pursuant to the provisions of sections 327, 330 and 331 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, the Fee Procedures Order and the Ernst & Young Retention Order.

8. During the Interim Compensation Period, Ernst & Young has provided professional services to the Debtors and incurred fees for such services totaling \$46,267.50. With respect to this amount, as of the date of this application, Ernst & Young has received no payments.

9. Ernst & Young has reviewed its time entries and endeavored to place all such entries into discrete billing categories, according to the task performed. Exhibit C attached hereto contains descriptions of the billing categories.

10. Ernst & Young maintained daily records of the time spent rendering professional services during the Interim Compensation Period. Exhibit D attached hereto contains logs, sorted by billing category and by professional, which show how much time was recorded by each professional and descriptions of the services provided.

¹ These applications and the order approving them are available upon reasonable request.

11. Ernst & Young has endeavored to perform professional tax advisory services in the most expeditious and economical manner possible. Ernst & Young believes it has been successful in this regard.

12. No agreement or understanding exists between Ernst & Young and any other person for the sharing of compensation received or to be received for services rendered in connection with these cases.

13. The undersigned has reviewed the requirements of Local Rule 2016-2 of the United States Bankruptcy Court for the District of Delaware and certifies to the best of his information, knowledge and belief that this application complies with Local Rule 2016-2.

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WHEREFORE, Ernst & Young respectfully requests that this Court enter an order (i) allowing interim compensation in the amount of \$46,267.50 for professional services rendered by it on behalf of the Debtors during the Interim Compensation Period; (ii) allowing Ernst & Young the sum of \$169,880.25 for professional services rendered by it on behalf of the Debtors during the Final Compensation Period; (iii) approving and authorizing reimbursement to Ernst & Young by the Debtors or the Liquidation Trust of expenses incurred during the Final Compensation Period in the amount of \$2,134.00; and (iv) directing the Debtors or the Liquidation Trust to pay Ernst & Young the amount of \$172,014.25 which is equal to the sum of 100% of Ernst & Young's allowed compensation and reimbursement for the Final Compensation Period.

Dated: June 11, 2004

ERNST & YOUNG LLP



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