

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

---

In re:

DISTRIBUTION DYNAMICS, INC.,  
DISTRIBUTION DYNAMICS HOLDINGS, INC.,  
PRO FASTENERS,  
NORTHWESTERN COMPANY,  
RAINBOW FASTENER COMPANY,

Debtors.

Bky. No. 04-32489

Chapter 11  
Jointly Administered

---

**NOTICE OF HEARING AND FIRST INTERIM FEE APPLICATION OF  
FAEGRE & BENSON LLP FOR COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES AS COUNSEL TO THE OFFICIAL COMMITTEE  
OF UNSECURED CREDITORS FOR THE PERIOD FROM APRIL 28, 2004 THROUGH  
JULY 31, 2004**

---

To: The Debtors, the Debtors In Possession, and other interested parties specified in Local Rule 9013-3 (“Notice Parties”).

Faegre & Benson LLP (“Faegre”), counsel to the Official Committee of Unsecured Creditors (“Committee”) of the above-captioned debtors and debtors-in-possession (collectively referred to as the “Debtors”), hereby submits its Notice of Hearing and First Interim Fee Application (“Application”) for compensation and reimbursement of expenses pursuant to sections 330 and 331 of title 11 of the United States Code (“Bankruptcy Code”) and in a form that satisfies the requirements of Rule 2016 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”) and Rule 2016-1 of the Local Rules of the United States Bankruptcy Court for the District of Minnesota (“Local Rules”) for services performed and expenses incurred during the periods commencing April 28, 2004 through July 31, 2004 (“Application Period”). In support of its Application, Faegre respectfully represents as follows:

## **INTRODUCTION**

1. The Bankruptcy Court will hold a hearing on this Application at 10:30 a.m. on October 25, 2004, in Courtroom 228A, at the United States Courthouse, at 316 South Robert Street, St. Paul, Minnesota.

2. Pursuant to Local Rule 9006-1, any response to this Application must be filed and delivered not later than October 20, 2004, which is three days before the time set for hearing (excluding Saturdays, Sundays and holidays), or filed and served by mail not later than October 14, 2004, which is seven days before the time set for hearing (excluding Saturdays, Sundays and holidays). UNLESS A RESPONSE OPPOSING THE APPLICATION IS TIMELY FILED, THE COURT MAY GRANT THE APPLICATION WITHOUT A HEARING.

## **BACKGROUND**

3. On April 26, 2004 (“Petition Date”), the Debtors filed their respective voluntary petitions for relief under the Bankruptcy Code commencing these chapter 11 cases (“Cases”) in the United States Bankruptcy Court for the District of Minnesota (“Bankruptcy Court”). These Cases are being jointly administered.

4. The Debtors continue to operate their business and manage their properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

5. On April 27, 2004, the Office of the United States Trustee (“UST”) appointed the Committee.<sup>1</sup> The Committee met on April 28, 2004 (“Retention Date”), and voted to retain Faegre as counsel for the Committee in these Cases.

6. On May 10, 2004, the Bankruptcy Court entered an order approving Faegre’s retention as counsel to the Committee retroactive to the Retention Date [Docket No. 53] (“Order”).

---

<sup>1</sup> On or about May 4, 2004, the UST accepted the resignation of one member of, and appointed additional members to, the Committee.

Pursuant to the Order, Faegre is authorized to submit requests for payment of professional fees and reimbursement of costs and expenses upon the Debtors and the UST at the end of each month (“Monthly Fee Requests”)<sup>2</sup>, and the Debtors are authorized to pay eighty percent (80%) of such fees and one hundred percent (100%) of such costs and expenses on a monthly basis, subject to later allowance by the Bankruptcy Court.

7. On June 18, 2004, Faegre served its first request for payment upon the Debtors and the UST for payment of professional fees in the amount of \$66,669.00 and reimbursement of costs and expenses in the amount of \$274.00 for the period of April 28 through May 31, 2004. On June 25, 2004, Faegre received payment in the amount of \$53,335.20 for professional fees and \$274.00 for costs and expenses, which respectively represent eighty percent (80%) of the requested fees and one hundred percent (100%) of the billed costs and expenses.

8. On July 19, 2004, Faegre submitted requests for payment of professional fees upon the Debtors and the UST in the amount of \$46,144.00 and reimbursement of costs and expenses in the amount of \$452.74 for the period of June 1 through June 30, 2004. On July 22, 2004, Faegre received payment in the amount of \$36,915.20 for professional fees and \$452.74 for costs and expenses, which respectively represent eighty percent (80%) of the requested fees and one hundred percent (100%) of the billed costs and expenses.

9. On August 16, 2004, Faegre submitted requests for payment of professional fees upon the Debtors and the UST in the amount of \$29,693.50 and reimbursement of costs and expenses in the amount of \$424.23 for the period of July 1 through July 31, 2004. On August 19, 2004, Faegre received payment in the amount of \$23,754.80 for professional fees and \$424.23 for

---

<sup>2</sup> The Monthly Fee Requests have been filed with the Bankruptcy Court and previously served on Debtors’ counsel and the United States Trustee. Any party may view and download the Monthly Fee Requests via the Bankruptcy Court’s docket, or by contacting any of the undersigned counsel.

costs and expenses, which respectively represent eighty percent (80%) of the requested fees and one hundred percent (100%) of the billed costs and expenses.

10. Faegre now files this Application for interim approval and allowance of its compensation for legal services and reimbursement for costs and expenses incurred during the Application Period, including authorization for the Debtors to pay the twenty percent (20%) holdback of fees as provided under the Order. All of the services rendered by Faegre during the Application Period were performed for or on behalf of the Committee.

11. Faegre has received no payment or promise for payment from any source other than the Debtors for any of the compensation or reimbursements requested in this Application. There is no agreement or understanding between Faegre and any other person, other than between the attorneys of Faegre, for the sharing of compensation received for the services rendered in these Cases.

#### **JURISDICTION AND VENUE**

12. The Bankruptcy Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. The subject matter of this Application is a “core proceeding” within the meaning of 28 U.S.C. § 157(b)(2)(A). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

#### **DESCRIPTION OF SERVICES RENDERED**

13. A schedule listing the name of each professional and paraprofessional who worked on these Cases during the Application Period, together with his or her position, the year the professional was admitted to practice (if applicable), the hourly rate and hours worked by each professional, and the resulting fee (hourly rate times hours) is attached to this Application as Schedule I, which summarizes all of the information from Exhibits B and C to each Monthly Fee

Request. During the Application Period, Faegre expended a total of 585.30 professional hours on the Committee's behalf in connection with these Cases.

14. Detailed time entries (categorized by matter) recorded by the professionals and paraprofessionals that have worked on these Cases are attached to each Monthly Fee Request as Exhibit A. Detailed summaries of expenses (categorized by name) are attached to each Monthly Fee Request as Exhibit D.<sup>3</sup> A summary of all of the costs and expenses incurred by Faegre during the Application Period is attached to this Application as Schedule II. To the best of Faegre's knowledge, this Application complies with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. Faegre believes that all of its fees, costs, and expenses were for necessary and appropriate services, and Faegre seeks allowance of all those amounts.

#### **DESCRIPTION OF SERVICES BY CATEGORY**

15. Since its retention, Faegre has been actively representing the Committee in all aspects of these Cases. The services rendered by Faegre have been grouped into eight general categories as more fully described below. Faegre has attempted to place the services it has provided to the Committee in the particular category that best relates to such services. However, because certain services may relate to one or more categories, services pertaining to one category may be included in another category. Schedule I identifies the attorneys and paraprofessionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category.

#### **GENERAL CASE ADMINISTRATION**

16. Time billed to this category relates to the general services provided by Faegre in connection with the representation of the Committee in these Cases. Included in this category,

---

<sup>3</sup> Faegre charges \$0.15 per page for internal photocopying, \$0.25 per page for outgoing facsimiles, and the actual cost charged by the applicable legal services provider for any computer-assisted legal research.

among other things, is time billed for: (a) communications and correspondence with counsel for the Debtors and counsel for the Debtors' lenders ("Lenders"); (b) communications and correspondence with other creditors; (c) the review, analysis, and revision of a confidentiality agreement with the Debtors; and (d) other matters not specifically related to another billing category. During the Application Period, Faegre billed 85.20 hours of its time for a total fee of \$24,293.00 for work performed relating to general case administration.

#### **COMMITTEE MEETINGS AND TELEPHONE CONFERENCES**

17. Time billed to this category relates to services provided by Faegre in connection with general administrative matters regarding the representation of the Committee. Included in this category, among other things, is time billed for: (a) preparation and attendance at meetings; (b) telephone conferences with the Committee; and (c) general communications and correspondence between Faegre and the Committee. During the Application Period, Faegre billed 47.60 hours of its time for a total fee of \$14,548.00 for work it performed relating to Committee meetings, telephone conferences, and other related matters.

#### **REVIEW PLEADINGS**

18. Time billed to this category relates to services provided by Faegre in connection with the review, analysis and summary of any motions, objections or other pleadings. Included in this category, among other things, is time billed for: (a) the review, analysis and summary of the Debtors' first day motions; (b) the Debtors' motions to assume or reject executory contracts and unexpired leases; (c) the Debtors' various sale motions; (d) the motion to approve the settlement agreement with the Lenders and related documents; (e) the Debtors' professional retention applications; and (f) proposed orders, and other related documents in these Cases that are not specifically related to another billing category. During the Application Period, Faegre billed 58.30

hours of its time for a total fee of \$15,545.00 for work it performed relating to the review, analysis and summary of pleadings.

#### **DRAFT MOTIONS AND RESPONSIVE PLEADINGS**

19. Time billed to this category relates to services provided by Faegre in connection with the preparation of motions and responses to any motions, objections or other pleadings in these Cases that are not specifically related to another billing category. Included in this category, among other things, is time billed for: (a) preparation of an objection to the Debtors' request to the continued use of cash collateral and provision of adequate protection to the Lenders; (b) preparation of an objection to the Debtors' motion to approve the sale of substantially all of the Debtors' assets and related bid procedures; (c) preparation of an objection to the Debtors' motion to approve the sale of its Oregon assets; (d) preparation of an objection to the Debtors' key employee incentive-based retention motion; (e) the filing and service of all such objections; and (f) various other matters necessary to prepare, review, revise, file, and serve such objections, motions and responses. During the Application Period, Faegre billed 61.00 hours of its time for a total fee of \$13,038.00 for work it performed relating to drafting motions and responsive pleadings.

#### **PREPARE FOR AND ATTEND HEARINGS**

20. Time billed to this category relates to services provided by Faegre in connection with its preparation for, travel to, and attendance at various hearings. Included in this category, among other things, is time billed for: (a) preparation, attendance, and participation in the Section 341 meeting; (b) preparation, attendance, and participation in the hearings on the cash collateral motion; (c) preparation, attendance, and participation in the key employee incentive-based retention motion; (d) preparation, attendance, and participation in the Debtors' various sales and procedures motions; and (e) preparation, attendance, and participation in the Debtors' motion to provide adequate protection to their utility companies. During the Application Period, Faegre billed

20.20 hours of its time for a total fee of \$6,579.00 for work it performed relating to its preparation for, travel to, and attendance at such hearings.

### **LEGAL RESEARCH**

21. Time billed to this category relates to services provided by Faegre in connection with any legal research conducted in these Cases which is not specifically related to another billing category. During the Application Period, Faegre billed 15.90 hours of its time for a total fee of \$2,585.00 for work it performed relating to legal research.

### **PROFESSIONAL RETENTION AND FEE APPLICATIONS**

22. Time billed to this category relates to services provided by Faegre in connection with the preparation of retention applications for the Committee's professionals and fee requests and applications of the Committee and its professionals, including the preparation of any accompanying affidavits, exhibits, and other documents provided to the Debtors, the UST, other creditors, and/or otherwise filed with the Bankruptcy Court. During the Application Period, Faegre billed 41.00 hours of its time for a total fee of \$8,274.00 for work it performed relating to the retention of professionals and the preparation of professional fee requests and applications.

### **INVESTIGATION OF LENDER CLAIMS**

23. Time billed to this category relates to services provided by Faegre in connection with the Committee's investigation of the security interests of, and certain claims against, the Lenders. Included in this category, among other things, is time billed for: (a) review and analysis of various lender relationship documents; (b) research, review, analysis and investigation of potential claims against the Lenders; (c) the preparation of an outline of examination for meeting with the Debtors; (d) telephone conferences with Committee members relating to lending relationships; (e) preparation, service, review, and analysis of produced and received discovery documents, including interrogatories and requests for document production; and (f) various other

matters relating to the Committee investigations of claims against the Lenders. During the Application Period, Faegre billed 256.10 hours of its time for a total fee of \$57,644.50 for work it performed relating to the review and analysis of lending relationships and claims.

### **RELIEF REQUESTED**

24. By this Application, Faegre seeks the interim approval and allowance of professional fees in the amount of \$142,506.50 and costs and expenses in the total amount of \$1,150.97 which were incurred during the Application Period (“Requested Amount”). In addition, Faegre requests that the Debtors be authorized to pay the \$28,501.30 in legal fees, representing the twenty percent (20%) holdback of fees as required under the Order (“Holdback”).

### **LEGAL BASIS FOR AWARD**

25. The Court is authorized to award to professional persons employed under section 1103 of the Bankruptcy Code “reasonable compensation for actual, necessary services rendered by the . . . attorney[s] and by any paraprofessional person[s] employed by any such person, and . . . reimbursement for actual, necessary expenses.” 11 U.S.C. § 330. The Court must consider the nature, extent, and value of such services, taking into account all relevant factors to determine whether the request for payment in connection with such services is fair and reasonable. *Id.* The services Faegre provided during the Application Period are actual, reasonable and necessary professional services to and for the benefit of the Committee. The fees and expenses requested are fair and reasonable under the circumstances of these Cases.

### **NOTICE**

26. No trustee or examiner has been appointed in these Cases. Notice of this Application has been given to: (a) the United States Trustee; (b) counsel for the Debtors; and (c) the Notice Parties. In light of the nature of the relief requested in this Application, Faegre submits that no other or further notice is required.

## NO PRIOR REQUEST

27. No prior request for the relief sought in this Application has been made to this Bankruptcy Court or any other Court.

## CONCLUSION

WHEREFORE, Faegre respectfully requests that the Bankruptcy Court enter an order, substantially in the form attached to this Application: (a) granting the Application; (b) allowing the fees and expenses in the Requested Amount; (c) authorizing the payment of the Holdback; and (d) granting any such other and further relief as is equitable and just.

Dated: September 28, 2004

FAEGRE & BENSON LLP

By           /e/ Michael B. Fisco            
Michael B. Fisco (MN Bar No. 175341)  
James D. H. Loushin (MN Bar No. 030427X)  
Abby E. Wilkinson (MN Bar No. 0313981)  
2200 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402-3901  
Telephone: 612.766.7000  
Facsimile: 612.766.1600

Counsel for the Official Committee of Unsecured  
Creditors

**SCHEDULE I  
PROFESSIONALS AND PARAPROFESSIONALS**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>YEAR ADMITTED TO PRACTICE</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	1986	\$410.00	136.10	\$55,801.00
MICHAEL R. STEWART	M. Stewart	1980	\$410.00	0.60	\$246.00
STEPHEN M. MERTZ	S. Mertz	1990	\$355.00	13.60	\$4,828.00
EDWARD T. WAHL	E. Wahl	1983	\$390.00	6.40	\$2,496.00
<b><u>ASSOCIATES/COUNSEL</u></b>					
JAMES D. H. LOUSHIN	J. Loushin	2000	\$220.00	88.80	\$19,536.00
ABBY E. WILKINSON	A. Wilkinson	2001	\$200.00	177.50	\$35,500.00
NATHANIEL J. ZYLSTRA	N. Zylstra	2001	\$185.00	9.10	\$1,683.50
<b><u>SUMMER ASSOCIATES</u></b>					
MARIKO E. HERNANDEZ	M. Hernandez	N/A	\$130.00	15.10	\$1,963.00
RACHEL L. HETLAND	R. Hetland	N/A	\$130.00	13.10	\$1,703.00
<b><u>PARALEGALS</u></b>					
SUSAN E. CARLSON	S. Carlson	N/A	\$150.00	53.80	\$8,070.00
DEBRA L. WEGLER	D. Wegler	N/A	\$150.00	71.20	\$10,680.00
			Total Hours	585.30	
				Total Fees	\$142,506.50

**SCHEDULE I**

**GENERAL CASE ADMINISTRATION  
(Task Code 001)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	37.50	\$15,375.00
STEPHEN M. MERTZ	S. Mertz	\$355.00	3.80	\$1,349.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
JAMES D.H. LOUSHIN	J. Loushin	\$220.00	2.20	\$484.00
ABBY E. WILKINSON	A. Wilkinson	\$200.00	16.60	\$3,320.00
<b><u>PARALEGALS</u></b>				
DEBRA L. WEGLER	D. Wegler	\$150.00	25.10	\$3,765.00
		Total Hours	85.20	
			Total Fees	\$24,293.00

**SCHEDULE I**

**COMMITTEE MEETINGS AND TELEPHONE CONFERENCES  
(Task Code 002)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	23.00	\$9,430.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
JAMES D. H. LOUSHIN	J. Loushin	\$220.00	9.90	\$2,178.00
ABBY E. WILKINSON	A. Wilkinson	\$200.00	14.70	\$2,940.00
		Total Hours	47.60	
			Total Fees	\$14,548.00

**SCHEDULE I**

**REVIEW PLEADINGS  
(Task Code 003)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	17.90	\$7,339.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
JAMES D.H. LOUSHIN	J. Loushin	\$220.00	6.30	\$1,386.00
ABBY E. WILKINSON	A. Wilkinson	\$200.00	34.10	\$6,820.00
		Total Hours	58.30	
			Total Fees	\$15,545.00

**SCHEDULE I**

**DRAFT MOTIONS AND RESPONSIVE PLEADINGS  
(Task Code 004)**

<b><u>ASSOCIATES/COUNSEL</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
JAMES D.H. LOUSHIN	J. Loushin	\$220.00	41.90	\$9,218.00
ABBY E. WILKINSON	A. Wilkinson	\$200.00	19.10	\$3,820.00
		Total Hours	61.00	
			Total Fees	\$13,038.00

**SCHEDULE I**

**PREPARE FOR AND ATTEND HEARINGS  
(Task Code 005)**

<b><u>PARTNERS</u></b>	<b>INITIALS</b>	<b><u>HOURLY RATE</u></b>	<b>HOURS</b>	<b>FEE</b>
MICHAEL B. FISCO	M. Fisco	\$410.00	11.70	\$4,797.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
JAMES D.H. LOUSHIN	J. Loushin	\$220.00	4.10	\$902.00
ABBY E. WILKINSON	A. Wilkinson	\$200.00	4.40	\$880.00
		Total Hours	20.20	
			Total Fees	\$6,579.00

**SCHEDULE I**

**LEGAL RESEARCH  
(Task Code 006)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	0.80	\$328.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
ABBY E. WILKINSON	A. Wilkinson	\$200.00	4.20	\$840.00
<b><u>SUMMER ASSOCIATES</u></b>				
MARIKO E. HERNANDEZ	M. Hernandez	\$130.00	5.60	\$728.00
RACHEL L. HETLAND	R. Hetland	\$130.00	5.30	\$689.00
		Total Hours	15.90	
			Total Fees	\$2,585.00

**SCHEDULE I**

**PROFESSIONAL RETENTION AND FEE APPLICATIONS  
(Task Code 007)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	1.60	\$656.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
JAMES D. H. LOUSHIN	J. Loushin	\$220.00	24.40	\$5,368.00
<b><u>PARALEGALS</u></b>				
SUSAN E. CARLSON	S. Carlson	\$150.00	15.00	\$2,250.00
		Total Hours	41.00	
			Total Fees	\$8,274.00

**SCHEDULE I**

**INVESTIGATION OF LENDER CLAIMS  
(Task Code 008)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	43.60	\$17,876.00
MICHAEL R. STEWART	M. Stewart	\$410.00	0.60	\$246.00
STEPHEN M. MERTZ	S. Mertz	\$355.00	9.80	\$3,479.00
EDWARD T. WAHL	E. Wahl	\$390.00	6.40	\$2,496.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
ABBY E. WILKINSON	A. Wilkinson	\$200.00	84.40	\$16,880.00
NATHANIEL J. ZYLSTRA	N. Zylstra	\$185.00	9.10	\$1,683.50
<b><u>SUMMER ASSOCIATES</u></b>				
MARIKO E. HERNANDEZ	M. Hernandez	\$130.00	9.50	\$1,235.00
RACHEL L. HETLAND	R. Hetland	\$130.00	7.80	\$1,014.00
<b><u>PARALEGALS</u></b>				
SUSAN E. CARLSON	S. Carlson	\$150.00	38.80	\$5,820.00
DEBRA L. WEGLER	D. Wegler	\$150.00	46.10	\$6,915.00
			Total Hours	256.10
			Total Fees	\$57,644.50

# FAEGRE & BENSON LLP

---

2200 WELLS FARGO CENTER, 90 SOUTH SEVENTH STREET  
MINNEAPOLIS, MINNESOTA 55402-3901  
TELEPHONE 612.766.7000  
FACSIMILE 612.766.1600  
www.faegre.com

June 18, 2004

Distribution Dynamics, Inc.  
c/o Dorsey & Whitney LLP  
Fifty South Sixth Street, Suite 1500  
Minneapolis, MN 55402-1498  
Attention: Chris Lenhart, Esq.

**BY MESSENGER**

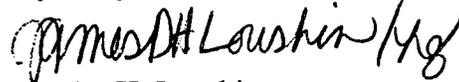
Re: Distribution Dynamics, Inc. , et al., Case No. 04-32489 (Jointly Administered)

Dear Chris:

As we discussed, I have enclosed a coversheet, exhibits, and billing invoice summarizing and otherwise setting forth our fees and expenses for the period April 28, 2004 through May 31, 2004. Pursuant to the terms of the May 10, 2004 order, the Debtors are authorized to remit to us eighty percent (80%) of our requested fees and one hundred percent (100%) of our requested expenses. Please forward this letter (with exhibits) to the Debtors so that we may obtain payment of such fees and expenses as soon as practicable.

Please call me with any questions.

Very Truly Yours,



James D. H. Loushin

Enclosures

cc: Sarah Wencil, Esq., Counsel for the United States Trustee

M1:1113055.01

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

**MONTHLY FEE STATEMENT FOR SERVICES AND DISBURSEMENTS  
FOR THE PERIOD APRIL 28, 2004 THROUGH MAY 31, 2004**

**In re:** **Distribution Dynamics, Inc.  
Distribution Dynamics Holdings, Inc.,  
Pro Fasteners,  
Northwestern Company,  
Rainbow Fastener Company**

**Case Nos.:** **04-32489  
04-32490  
04-32492  
04-32491  
04-32493**

**Name of Applicant:** **Faegre & Benson LLP**

**Name of Client:** **The Official Committee of Unsecured Creditors**

**Date of Retention:** **April 28, 2004**

**Application Period:** **April 28, 2004 through May 31, 2004**

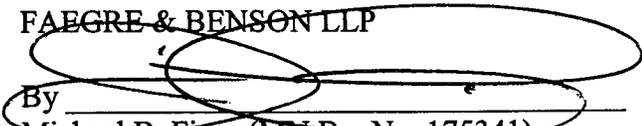
**Fees for the Period:** **\$66,669.00**

**Expenses for the Period:** **\$274.00**

**Total Fees and Expenses:** **\$66,943.00\***

**Dated:** June 18, 2004

**FAEGRE & BENSON LLP**

By 

Michael B. Fisco (MN Bar No. 175341)  
James D. H. Loushin (MN Bar No. 030427X)  
Abby E. Wilkinson (MN Bar No. 0313981)  
2200 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402-3901  
Telephone: 612.766.7000  
Facsimile: 612.766.1600

Counsel for the Official Committee of Unsecured  
Creditors

\*See the Exhibits and Invoices attached hereto for detailed backup.

MI:1112867.01

**FAEGRE & BENSON LLP**  
2200 WELLS FARGO CENTER, 90 SOUTH SEVENTH STREET  
MINNEAPOLIS, MINNESOTA 55402-3901  
TELEPHONE 612-766-7000  
FACSIMILE 612-766-1600

June 18, 2004

Official Committee of Unsecured Creditors of Distribution  
Dynamics, Inc.  
c/o Michael B. Fisco  
2200 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402

INVOICE: 839751  
TO: FAEGRE & BENSON LLP  
EIN: 41-0244008

RE: Distribution Dynamics, Inc.  
Our File: 75497/304553

Through May 31, 2004

SERVICES:

Date:	Name:	Hours:	Value:	Services:
-----	-----	-----	-----	-----
	Task: 001			General Case Administration
04/28/04	M. Fisco	.60	246.00	Telephone conference with Committee members regarding first day motions and file background
04/29/04	M. Fisco	.40	164.00	Conferences with M. Kalla and T. Lallier regarding various case matters
04/30/04	M. Fisco	.70	287.00	Prepare for and attend meeting with A. Wilkinson and J. Loushin regarding review and analysis of various case matters
04/30/04	A. Wilkinson	.20	40.00	Conference with M. Fisco regarding general case administration issues
05/02/04	A. Wilkinson	.90	180.00	Draft Committee bylaws
05/02/04	M. Fisco	.30	123.00	Review Committee bylaws
05/04/04	M. Fisco	1.20	492.00	Conferences with A. Wilkinson regarding various case matters
05/05/04	M. Fisco	.50	205.00	Conferences with A. Wilkinson regarding various case matters
05/06/04	M. Fisco	1.80	738.00	Review pleadings and background information regarding Debtors

June 18, 2004

Page 2

5/07/04	M. Fisco	1.20	492.00	Review and revise Committee bylaws (.3); prepare for and attend meeting with J. Loushin and A. Wilkinson regarding various case matters (.9)
05/07/04	A. Wilkinson	.50	100.00	Review, revise and send out draft Committee bylaws (.2); conference with M. Fisco regarding case management issues (.3)
05/11/04	A. Wilkinson	3.20	640.00	Meeting with Debtors' counsel regarding Debtors' businesses and other case-related background issues (1.0); prepare and review documents for same, including Debtors' schedules and statement of financial affairs (1.5); conference with M. Fisco regarding same (.2); review publicly available company-specific background information (.5)
05/11/04	M. Fisco	.60	246.00	Conferences with J. Loushin and A. Wilkinson regarding various case matters
05/11/04	M. Fisco	2.30	943.00	Prepare for and attend meeting with M. Kalla and C. Lenhart regarding various case matters (1.5); review and analyze sale issues (.8)
05/12/04	A. Wilkinson	1.50	300.00	Revise and send out summary of sale agreement to Committee members and conference with M. Fisco (.8); review and send out schedules and statement of financial affairs to Committee members (.2); preliminary review of documents received by debtors' counsel regarding debtors' businesses and debtors' financial affairs and transactions (.5)
05/12/04	M. Fisco	.90	369.00	Conference with A. Wilkinson regarding responses to motion for approval of cash collateral, sale of assets, and other matters
05/13/04	A. Wilkinson	1.40	280.00	Review background documents regarding Debtors' businesses provided by Debtors' counsel
05/13/04	M. Fisco	2.40	984.00	Telephone conferences with creditors regarding case and sales process (.6); telephone conferences with M. Kalla and C. Lenhart regarding various case matters (.8); review and analyze assets and claims (1.0)

June 18, 2004

Page 3

05/14/04	M. Fisco	1.10	451.00	Telephone conferences with M. Kalla and C. Lenhart regarding KERP motion, cash collateral stipulation, extension objection deadlines, and other case matters (.5); telephone conference with T. Lallier regarding cash collateral stipulation (.2); conferences with A. Wilkinson regarding various case matters (.4)
05/14/04	A. Wilkinson	1.20	240.00	Telephone conference with M. Fisco and Committee member regarding Debtors' businesses and general background information (1.0); telephone conference with M. Fisco and Debtors' counsel regarding case-related matters (.2)
05/17/04	A. Wilkinson	.20	40.00	Telephone conference with Committee member regarding minutes (.1); send out same to all Committee members (.1)
05/17/04	J. Loushin	1.50	330.00	Prepare for and attend meeting with counsel to lenders and counsel to the Debtors regarding, among other things, the motion to approve key employee retention program, use of cash collateral and adequate provision to lenders, and general goals and strategies in the bankruptcy cases
05/17/04	M. Fisco	3.40	1,394.00	Prepare for and attend meeting with Lenders regarding cash collateral stipulation and other matters (1.5); telephone conferences with M. Kalla and C. Lenhart regarding cash collateral, sale motion, KERP motion and other case matters (.9); conferences with A. Wilkinson regarding various case matters (.6); telephone conferences with creditors regarding sale and other case matters (.4)
05/18/04	A. Wilkinson	.90	180.00	Draft confidentiality agreement by and between Debtors and Committee members and advisors and conference with M. Fisco
05/18/04	M. Fisco	2.20	902.00	Conference with A. Wilkinson regarding objections to pending motions (.8); telephone conferences with C. Lenhart, M. Kalla, and T. Lallier regarding cash collateral and KERP issues (1.4)

June 18, 2004

Page 4

05/19/04	M. Fisco	2.10	861.00	Telephone conference with DJ. London regarding cash collateral and related issues (.2); telephone conferences and review drafts of final cash collateral orders (1.9)
05/19/04	A. Wilkinson	.20	40.00	Prepare and review documents for May 20, 2004 hearing
05/20/04	A. Wilkinson	1.20	240.00	Review and organize documents for May 20, 2004 hearing (.6); conference with M. Fisco regarding same (.4); review, revise and send out for execution Committee bylaws (.2)
05/20/04	M. Fisco	.60	246.00	Telephone conferences with M. Kalla and C. Lenhart regarding cash collateral and related matters (.2); telephone conferences with T. Lallier regarding revisions to final cash collateral order (.4)
05/21/04	M. Fisco	.50	205.00	Telephone conference with M. Kalla regarding hearing (.2); telephone conference with creditors regarding case and sales process (.3)
05/21/04	M. Fisco	.50	205.00	Telephone conferences with creditors regarding status of case
05/25/04	M. Fisco	.70	287.00	Telephone conferences with C. Lenhart regarding cash collateral order and other case matters (.3); review and respond to correspondence regarding various case matters (.4)
05/26/04	A. Wilkinson	.10	20.00	Review and send out draft confidentiality agreement
05/27/04	M. Fisco	.40	164.00	Correspondence to Committee Chair regarding discovery requests (.2); conference with S. Mertz regarding cash collateral order (.2)
05/28/04	M. Fisco	.20	82.00	Correspondence to the Debtors and counsel for Lenders regarding investigation of Lender claims
	Total 001	37.60	\$12,716.00	

## Task: 002 Committee Meetings and Telephone Conferences

04/29/04	M. Fisco	.40	164.00	Telephone conference with Committee members regarding hearings and other case matters
05/04/04	A. Wilkinson	.30	60.00	Attend Committee conference call (.2); telephone conferences with Committee members prior to same (.1)
05/04/04	M. Fisco	.40	164.00	Telephone conference with Committee regarding application for employment and related matters

June 18, 2004

Page 5

.5/05/04	A. Wilkinson	.20	40.00	Schedule Committee conference call (.1); telephone conference with M. Kunze regarding same (.1)
05/07/04	A. Wilkinson	.30	60.00	Telephone conference with B. Osier regarding May 10, 2004 Committee meeting (.1); draft and send out notice to Committee members regarding same (.2)
05/07/04	M. Fisco	.30	123.00	Telephone conference with counsel for Textron (R. Anderson) regarding various case matters
05/10/04	A. Wilkinson	2.20	440.00	Review and prepare documents for Committee meeting (.3); conference with M. Fisco and J. Loushin for same (.2); attend Committee conference call (1.0); draft and send out minutes for same (.7)
05/10/04	J. Loushin	1.30	286.00	Prepare for and attend telephone conference with M. Fisco, A. Wilkinson and Committee members regarding introductions, brief case history, discussions of pending matters, and going forward strategy in the cases
05/10/04	M. Fisco	1.90	779.00	Prepare for and participate on telephone conference with Committee; telephone conferences with Committee members regarding case strategy and other case matters
05/11/04	M. Fisco	.90	369.00	Telephone conferences with Committee members regarding various case matters
05/14/04	M. Fisco	1.90	779.00	Prepare agenda for Committee call (.2); correspondence to Committee regarding telephone conference (.2); prepare for and participate on Committee call (1.5)
05/14/04	A. Wilkinson	2.50	500.00	Review and organize documents for Committee telephone conference (.5); conference with M. Fisco regarding same (.5); attend Committee telephone conference (1.0); draft and send out minutes for same (.5)
05/14/04	J. Loushin	1.50	330.00	Prepare for and attend telephone conference with Committee members
05/18/04	A. Wilkinson	.80	160.00	Attend Committee conference call (.4); conference with M. Fisco regarding same (.2); draft and send out minutes for same (.2)
05/18/04	J. Loushin	.70	154.00	Prepare for and attend telephone conference with Committee

June 18, 2004

Page 6

05/18/04	M. Fisco	1.80	738.00	Prepare for and participate on telephone conference with Committee (1.2); prepare agenda for call (.2); telephone conferences with Committee members regarding various case matters (.4)
05/19/04	J. Loushin	.40	88.00	Prepare for and attend telephonic conference with Committee
05/19/04	A. Wilkinson	1.00	200.00	Revise and update prior Committee call minutes (.3); Committee conference call (.4); draft and send out minutes for same (.3)
05/19/04	M. Fisco	1.70	697.00	Telephone conference with Committee chair regarding status pending case matters and telephone conference with Committee (.3); prepare for and participate on telephone conference with Committee regarding various case matters (1.4)
05/20/04	M. Fisco	.90	369.00	Correspondence to Committee regarding results of omnibus hearing (.7); telephone conference with committee members regarding hearing (.2)
Total 002		21.40	\$6,500.00	
Task: 003 Review Pleadings				
04/28/04	M. Fisco	1.20	492.00	Review petition, first day orders and pleadings for hearing on April 29
04/29/04	M. Fisco	1.40	574.00	Review first day pleadings
04/29/04	A. Wilkinson	1.20	240.00	Review docket and debtors' motion for interim approval of cash collateral (.9); conference with M. Fisco regarding same (.3)
04/30/04	A. Wilkinson	.20	40.00	Review docket
05/02/04	A. Wilkinson	1.00	200.00	Review docket and first-day motions
05/03/04	A. Wilkinson	2.00	400.00	Review Debtors' first-day motions, orders approving same and docket
05/04/04	A. Wilkinson	3.10	620.00	Review Debtors' voluntary petition and schedules, and Debtors' sale motion and bidding procedures
05/05/04	A. Wilkinson	2.20	440.00	Review asset purchase agreement and related exhibits and schedules, and United States Trustee's amended Committee appointment
05/05/04	M. Fisco	1.20	492.00	Review motion to approve sale of assets and related documents
05/06/04	J. Loushin	1.70	374.00	Review second interim order approving use of cash collateral (1.3); review bankruptcy docket regarding newly filed pleadings (.4)

June 18, 2004

Page 7

.5/07/04	J. Loushin	2.00	440.00	Review and analyze bankruptcy pleadings, including motion to approve use of cash collateral and subsequent interim orders approving such use, and motion for adequate protection of utility companies (1.7); telephone conference with C. Lenhart regarding revisions to order approving adequate protection of utility companies (.3)
05/07/04	M. Fisco	.20	82.00	Review and revise memorandum to Committee regarding pending motions and pleadings
05/07/04	A. Wilkinson	3.50	700.00	Review Debtors' docket, statement of financial affairs and pleadings (2.0); draft and send out summary of pleadings to Committee members (1.5)
05/10/04	A. Wilkinson	1.80	360.00	Review docket and pleadings (.5); review debtors' key employee incentive-based retention program (.4); review professional applications filed by Debtors (.4); file notice of appearance and request for service (.5)
05/10/04	M. Fisco	1.00	410.00	Review sale motion and related documents
05/10/04	J. Loushin	.60	132.00	Review bankruptcy pleadings, including application to retain Houlihan Lokey as financial advisors to the Debtors
05/11/04	A. Wilkinson	3.30	660.00	Draft summary of asset purchase agreement for Committee members (1.0); review sale documents for same (.7); review docket and review pleadings (.6); draft and distribute summary of pleadings to Committee members (1.0)
05/12/04	M. Fisco	.80	328.00	Review pleadings regarding various case matters
05/13/04	M. Fisco	1.20	492.00	Revise objection to cash collateral stipulation
05/13/04	J. Loushin	1.00	220.00	Review bankruptcy pleadings, including application to employ Houlihan Lokey (.3) and motion to approve key employee retention program (.7)
05/13/04	A. Wilkinson	.30	60.00	Review docket and pleadings
05/14/04	M. Fisco	1.50	615.00	Review final order approving cash collateral stipulation (.8); review Houlihan application (.4); review KERP motion (.3)
05/17/04	A. Wilkinson	.50	100.00	Review pleadings and docket

June 18, 2004

Page 8

05/17/04	M. Fisco	.90	369.00	Review and analyze KERP motion and related documents
05/18/04	A. Wilkinson	.30	60.00	Review pleadings and docket; send update to Committee regarding same
05/18/04	M. Fisco	3.40	1,394.00	Review and revise objection to KERP (1.0); revise objection to motion for use of cash collateral (.8); review drafts of proposed final orders authorizing use of cash collateral (.9); review and revise objection and reservations of rights to sale of assets (.7)
05/19/04	A. Wilkinson	1.00	200.00	Review pleadings and docket (.2); review revised bid procedures (.5); conference with M. Fisco regarding same (.3)
05/20/04	M. Fisco	.70	287.00	Review and revise final order approving use of cash collateral (.5); review proposed orders regarding sale of assets and payment of utilities (.2)
05/21/04	A. Wilkinson	.20	40.00	Review docket and pleadings
05/22/04	M. Fisco	.70	287.00	Review revisions to final order authorizing use of cash collateral
05/24/04	A. Wilkinson	.90	180.00	Review and send out revised, final cash collateral order and budget (.5); conference with M. Fisco regarding same (.2); review pleadings and docket (.2)
05/24/04	J. Loushin	1.00	220.00	Review and analyze revisions to final order approving use of cash collateral (.6); telephone conferences with C. Lenhart regarding same (.2); conferences with A. Wilkinson regarding same (.2)
05/25/04	A. Wilkinson	.30	60.00	Review docket and pleadings
05/25/04	M. Fisco	.40	164.00	Review final order and budget regarding use of cash collateral
05/26/04	A. Wilkinson	.20	40.00	Review and update Committee members on debtors' pleadings and docket
05/28/04	A. Wilkinson	.10	20.00	Review docket and pleadings
	Total 003	43.00	\$11,792.00	

Task: 004 Draft Motions and Responsive Pleadings

05/10/04	J. Loushin	6.00	1,320.00	Conduct legal research regarding purpose of chapter 11 bankruptcy for purposes of drafting objection to continued use of cash collateral (2.0); prepare objection to continued use of cash collateral and provision of adequate protection to Secured Lenders (4.0)
----------	------------	------	----------	---

June 18, 2004

Page 9

5/11/04	J. Loushin	8.00	1,760.00	Review cases regarding purpose of chapter 11 bankruptcy (1.0); prepare objection to Debtors' request to continued use of cash collateral and provision of adequate protection to Secured Lenders (7.0)
05/12/04	J. Loushin	4.40	968.00	Prepare objection to motion to approve use of cash collateral and provision of adequate protection to Secured Lenders
05/12/04	A. Wilkinson	3.80	760.00	Draft objection to sale and procedures motion and review documents for same
05/13/04	J. Loushin	4.50	990.00	Prepare revisions to objection to motion for final approval of use of cash collateral and provision of adequate protection to Secured Lenders upon receipt of Final Order from the Secured Lenders' counsel
05/14/04	J. Loushin	1.50	330.00	Review and analyze proposed Final Order and accordingly revise draft objection to motion for final approval of use of cash collateral and provision of adequate protection to the Secured Lenders
05/14/04	A. Wilkinson	2.10	420.00	Review and revise objection to final cash collateral stipulation (1.1); review proposed final order for same (.5); draft objection to key employee incentive-based retention motion (.5)
05/15/04	A. Wilkinson	3.60	720.00	Review revised key employee incentive-based retention program and motion for approval of same (.5); draft objection to key employee incentive-based retention program (3.1)
05/17/04	A. Wilkinson	5.00	1,000.00	Draft and revise objection to debtors' key employee incentive-based retention program (3.5); review employment agreements and other related documents for same (1.5)
05/17/04	J. Loushin	4.90	1,078.00	Prepare objection to motion for approval of use of cash collateral and adequate protection to the lenders.
05/18/04	A. Wilkinson	3.60	720.00	Draft and revise objection to Debtors' key employee incentive-based retention program (1.5); review and revise objection to Debtors' cash collateral motion (.5); review and revise objection

to Debtors' sale motion (1.0);  
conference with M. Fisco regarding  
same (.6)

05/18/04	J. Loushin	3.50	770.00	Prepare revisions to objection to motion for approval of use of cash collateral and provision of adequate protection to lenders (1.3); review and revise objection and reservation of rights to sale motion (1.2); file and serve objections, including objection to motion for approval of use of cash collateral and provision of adequate protection to lenders, objection to motion requesting approval of key employee retention program, and objection to motion to approve sale and bid procedures (1.0)
Total 004		50.90	\$10,836.00	

Task: 005 Prepare for and attend hearings

04/29/04	M. Fisco	2.00	820.00	Prepare for and attend hearings in Saint Paul regarding various case motions
5/19/04	M. Fisco	2.50	1,025.00	Review exhibits and prepare for hearing on motion to approve KERP and other case matters
05/20/04	M. Fisco	4.80	1,968.00	Prepare for and attend hearing on motion to approve sales process, cash collateral motion, and KERP (3.4); review documents and prepare examination of D. Polimeni (1.4)
05/20/04	J. Loushin	4.10	902.00	Prepare for and attend hearings on use of cash collateral, employee incentive retention program, adequate protection for utility companies, and sale and procedures motions
Total 005		13.40	\$4,715.00	

Task: 006 Legal Research

05/13/04	A. Wilkinson	1.20	240.00	Research regarding a creditors' committee's standing to bring claims
05/13/04	M. Fisco	.80	328.00	Research and analysis of cash collateral stipulation and releases of claims
05/15/04	A. Wilkinson	1.00	200.00	Research regarding key employee retention programs in bankruptcy
05/17/04	A. Wilkinson	1.00	200.00	Research regarding key employee retention programs in bankruptcy
05/26/04	A. Wilkinson	1.00	200.00	Research regarding standing and lender liability claims

June 18, 2004

Page 11

05/26/04	M. Hernandez	2.10	273.00	Research regarding deepening insolvency and elements of the tort
05/28/04	M. Hernandez	3.50	455.00	Research regarding deepening insolvency, elements of the tort
	Total 006	10.60	\$1,896.00	

## Task: 007 Professional Retention and Fee Applications

05/03/04	M. Fisco	1.20	492.00	Review and revise application for employment and declaration in support of application
05/03/04	J. Loushin	6.20	1,364.00	Prepare retention application of Faegre & Benson; prepare unsworn declaration of M. Fisco in support of retention application; telephone conference with Clerk's office regarding filings, including notices of appearance, before approval by the Court
05/04/04	J. Loushin	4.00	880.00	Prepare retention application of Faegre & Benson (1.5); review and clear conflicts to such representation (1.0); prepare unsworn declaration of M. Fisco in support of application (1.0); prepare certificate of service and proposed order (.5)
05/05/04	J. Loushin	1.00	220.00	Conduct conflict review (.3); prepare final revisions and file retention application, declaration in support of application, proposed order, and certificate of service (.7)
	Total 007	12.40	\$2,956.00	

## Task: 008 Investigation of Lender Claims

05/07/04	M. Fisco	.30	123.00	Prepare for and conference with E. Wahl regarding investigation of lender claims
05/07/04	E. Wahl	.10	39.00	Conference with M. Fisco regarding fact issues
05/10/04	M. Fisco	1.50	615.00	Review and analyze lender relationships and documents (1.0); prepare outline of examination for meeting with Debtors (.5)
05/10/04	E. Wahl	.50	195.00	Analyze factual issues (.1); conference with M. Fisco regarding interview (.1); draft topics for document requests (.3)
05/11/04	E. Wahl	2.00	780.00	Conference with M. Fisco and A. Wilkinson regarding fact issues (.3); prepare for and interview A. Barnett regarding factual background (1.0); review pre-petition documents and notes of interview (.7)

June 18, 2004

Page 12

05/11/04	M. Fisco	1.40	574.00	Meeting with E. Wahl regarding investigation of lenders (.9); telephone conference with Committee members regarding lending relationship (.5)
05/11/04	A. Wilkinson	.50	100.00	Telephone conference with Committee members regarding lending relationship
05/12/04	E. Wahl	.30	117.00	Revise memorandum regarding A. Barnett interview
05/13/04	A. Wilkinson	1.00	200.00	Review pre-petition loan documents and conference with M. Fisco regarding same
05/18/04	A. Wilkinson	2.10	420.00	Review prepetition loan documents among debtors and their prepetition lenders
05/18/04	S. Mertz	.10	35.50	Analyze issues regarding potential claims against Banks
05/18/04	N. Zylstra	1.00	185.00	Review background information on case (.5); draft interrogatories (.5)
05/19/04	N. Zylstra	1.00	185.00	Review background information (.5); draft requests for production of documents (.5)
05/19/04	M. Fisco	1.00	410.00	Meeting with S. Mertz and E. Wahl regarding investigation of lender claims
05/19/04	E. Wahl	1.00	390.00	Conference with M. Fisco and S. Mertz regarding factual background for case and discovery
05/19/04	A. Wilkinson	1.40	280.00	Conference with E. Wahl regarding investigation of bank claims (1.0); review documents for same (.4)
05/19/04	S. Mertz	1.40	497.00	Review facts and analyze issues regarding potential claims against Lenders
05/20/04	A. Wilkinson	4.50	900.00	Review Debtors' prepetition loan documents, corporate organizational documents, financial information and other related prepetition agreements (3.0); conference with M. Fisco regarding same (.5); draft memorandum regarding same (1.0)
05/20/04	E. Wahl	1.00	390.00	Attention to drafting and revising discovery requests
05/20/04	N. Zylstra	1.40	259.00	Draft requests for production to banks and Debtors (1.1); conference with E. Wahl regarding same (.3)
05/21/04	N. Zylstra	1.50	277.50	Draft requests for production to Debtors and lenders (1.2); conference with E. Wahl regarding same (.3)

June 18, 2004

Page 13

05/21/04	E. Wahl	1.50	585.00	Draft and revise discovery
05/21/04	S. Mertz	1.10	390.50	Review and revise discovery requests (.3); research regarding equitable subordination and lender liability claims (.8)
05/21/04	M. Fisco	1.00	410.00	Review and analyze potential claims against lenders
05/22/04	N. Zylstra	.40	74.00	Draft requests for production to former directors of the Debtors
05/24/04	N. Zylstra	.10	18.50	Review draft requests for production to former directors of the Debtors and provide same to E. Wahl and A. Wilkinson
05/24/04	A. Wilkinson	.70	140.00	Review documents relating to claims of Debtors' pre-petition lenders (.5); conference with S. Mertz regarding same (.2)
05/24/04	S. Mertz	1.50	532.50	Research and analyze issues regarding possible claims against the Banks
05/25/04	S. Mertz	.30	106.50	Analyze issues regarding potential claims against the Banks
05/25/04	N. Zylstra	2.80	518.00	Conference with A. Wilkinson regarding document requests (.3); revise document requests (2.5)
5/25/04	A. Wilkinson	3.40	680.00	Review and revise discovery requests to lenders, Debtors and board of directors (1.0); telephone conference with C. Lenhart and M. Fisco regarding same (.3); conference with N. Zylstra regarding same (.3); review prepetition loan documents and agreements regarding same (1.8)
05/26/04	A. Wilkinson	3.90	780.00	Review documents provided by Debtors' counsel regarding relationship among Debtors and pre-petition lenders (2.0); conference with M. Fisco regarding same (.2); review and revise discovery regarding same (1.7)
05/26/04	N. Zylstra	.90	166.50	Revise requests for production to Debtors, Lenders, and former directors of the Debtors (.4); review cases with similar facts to the situation here for possible claims (.5)
05/26/04	S. Mertz	.60	213.00	Investigate potential claims against Banks and analyze issues regarding same
5/27/04	A. Wilkinson	4.20	840.00	Draft and revise first set of interrogatories (2.0); review and revise first request for documents (2.0); conference with M. Fisco regarding same (.2)

June 18, 2004

Page 14

05/27/04	M. Fisco	1.90	779.00	Review and revise document request for Debtors (1.2); conferences with A. Wilkinson regarding discovery and investigation (.7)
05/28/04	M. Fisco	3.70	1,517.00	Review and revise discovery requests (3.0); conferences with A. Wilkinson regarding discovery and related matters (.7)
05/28/04	A. Wilkinson	2.50	500.00	Draft, revise and serve discovery, including first request for document production to Lenders and Debtors and first set of interrogatories to Debtors (1.8); conference with M. Fisco regarding same (.7)
05/28/04	S. Mertz	.10	35.50	Analyze potential claims against Banks
	Total 008	55.60	\$15,258.00	
	Total Hours	244.90		

SERVICES: \$66,669.00

DISBURSEMENTS:

Telecommunication Costs	2.73
Lexis Research	9.75
Westlaw (Online Legal Research)	8.62
Internal Copying/Printing	252.90

TOTAL DISBURSEMENTS: \$274.00

TOTAL: \$66,943.00

SUMMARY

E. Wahl	Partner	6.40	hours at	\$390.00	=	\$2,496.00
M. Fisco	Partner	71.50	hours at	\$410.00	=	\$29,315.00
S. Mertz	Partner	5.10	hours at	\$355.00	=	\$1,810.50
A. Wilkinson	Associate	87.40	hours at	\$200.00	=	\$17,480.00
J. Loushin	Associate	59.80	hours at	\$220.00	=	\$13,156.00
N. Zylstra	Associate	9.10	hours at	\$185.00	=	\$1,683.50
M. Hernandez	Summer Assoc	5.60	hours at	\$130.00	=	\$728.00
TOTAL		244.90				\$66,669.00

# **EXHIBIT A**

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

---

In re:

DISTRIBUTION DYNAMICS, INC.,  
DISTRIBUTION DYNAMICS HOLDINGS, INC.,  
PRO FASTENERS,  
NORTHWESTERN COMPANY,  
RAINBOW FASTENER COMPANY,

Bky. No. 04-32489

Debtors.

Chapter 11  
Jointly Administered

---

**ORDER AUTHORIZING EMPLOYMENT OF FAEGRE & BENSON LLP  
AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS RETROACTIVE TO APRIL 28, 2004**

---

Upon the Application of the Official Committee of Unsecured Creditors for an Order Authorizing Employment of Faegre & Benson LLP as Counsel Retroactive to April 28, 2004 ("Application"), and it appearing necessary and appropriate that the Committee be represented by the law firm of Faegre & Benson LLP ("Faegre & Benson"), in the above-captioned bankruptcy case,

**IT IS HEREBY ORDERED:**

1. The Application is approved in its entirety;
2. The employment of Faegre & Benson as counsel to the Official Committee of Unsecured Creditors is approved pursuant to the terms and conditions set forth in the Application retroactive to April 28, 2004;
3. Faegre & Benson is authorized to schedule a hearing for allowance of its professional fees, costs, and expenses not more than once every ninety (90) days; and

4. Faegre & Benson is authorized to submit invoices for its professional fees, costs and expenses at the end of each month to the Debtors, with copies to the Office of the United States Trustee, and the Debtors are authorized to pay eighty percent (80%) of such fees and one hundred percent (100%) of such costs and expenses on a monthly basis, subject to later allowance by the Court.

Dated: May 10, 2004

/e/ Dennis D. O'Brien

\_\_\_\_\_  
United States Bankruptcy Judge

NOTICE OF ELECTRONIC ENTRY AND FILING ORDER OR JUDGMENT Filed and Docket Entry made on 05/10/04 Lori A. Vosejka, Acting Clerk, By SKM
--

53

# **EXHIBIT B**

**EXHIBIT B  
PROFESSIONALS AND PARAPROFESSIONALS**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>YEAR ADMITTED TO PRACTICE</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	1986	\$410.00	71.50	\$29,315.00
EDWARD T. WAHL	E. Wahl	1983	\$390.00	6.40	\$2,496.00
STEPHEN M. MERTZ	S. Mertz	1990	\$355.00	5.10	\$1,810.50
<b><u>ASSOCIATES/COUNSEL</u></b>					
JAMES D. H. LOUSHIN	J. Loushin	2000	\$220.00	59.80	\$13,156.00
ABBY E. WILKINSON	A. Wilkinson	2001	\$200.00	87.40	\$17,480.00
NATHANIEL J. ZYLSTRA	N. Zylstra	2001	\$185.00	9.10	\$1,683.50
<b><u>SUMMER ASSOCIATES</u></b>					
MARIKO E. HERNANDEZ	M. Hernandez	N/A	\$130.00	5.60	\$728.00
			Total Hours	244.90	
				Total Fees	\$66,669.00

# **EXHIBIT C**

**EXHIBIT C**

**GENERAL CASE ADMINISTRATION  
(Task Code 001)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	24.60	\$10,086.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
JAMES D. H. LOUSHIN	J. Loushin	\$220.00	1.50	\$330.00
ABBY E. WILKINSON	A. Wilkinson	\$200.00	11.50	\$2,300.00
		Total Hours	37.60	
			Total Fees	\$12,716.00

**EXHIBIT C**

**COMMITTEE MEETINGS AND TELEPHONE CONFERENCES  
(Task Code 002)**

<b>PARTNERS</b>	<b>INITIALS</b>	<b>HOURLY RATE</b>	<b>HOURS</b>	<b>FEE</b>
MICHAEL B. FISCO	M. Fisco	\$410.00	10.20	\$4,182.00
<b>ASSOCIATES/COUNSEL</b>				
JAMES D. H. LOUSHIN	J. Loushin	\$220.00	3.90	\$858.00
ABBY E. WILKINSON	A. Wilkinson	\$200.00	7.30	\$1,460.00
		Total Hours	21.40	
			Total Fees	\$6,500.00

**EXHIBIT C**

**REVIEW PLEADINGS  
(Task Code 003)**

<b>PARTNERS</b>	<b>INITIALS</b>	<b>HOURLY RATE</b>	<b>HOURS</b>	<b>FEE</b>
MICHAEL B. FISCO	M. Fisco	\$410.00	14.60	\$5,986.00
<b>ASSOCIATES/COUNSEL</b>				
JAMES D. H. LOUSHIN	J. Loushin	\$220.00	6.30	\$1,386.00
ABBY E. WILKINSON	A. Wilkinson	\$200.00	22.10	\$4,420.00
		Total Hours	43.00	
			Total Fees	\$11,792.00

**EXHIBIT C**

**DRAFT MOTIONS AND RESPONSIVE PLEADINGS  
(Task Code 004)**

<b>PARTNERS</b>	<b>INITIALS</b>	<b><u>HOURLY</u> RATE</b>	<b>HOURS</b>	<b>FEE</b>
<b><u>ASSOCIATES/COUNSEL</u></b>				
JAMES D. H. LOUSHIN	J. Loushin	\$220.00	32.80	\$7,216.00
ABBY E. WILKINSON	A. Wilkinson	\$200.00	18.10	\$3,620.00
		Total Hours	50.90	
			Total Fees	\$10,836.00

**EXHIBIT C**

**PREPARE FOR AND ATTEND HEARINGS  
(Task Code 005)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	9.30	\$3,813.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
JAMES D. H. LOUSHIN	J. Loushin	\$220.00	4.10	\$902.00
		Total Hours	13.40	
			Total Fees	\$4,715.00

**EXHIBIT C**

**LEGAL RESEARCH  
(Task Code 006)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	0.80	\$328.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
ABBY E. WILKINSON	A. Wilkinson	\$200.00	4.20	\$840.00
<b><u>SUMMER ASSOCIATES</u></b>				
MARIKO E. HERNANDEZ	M. Hernandez	\$130.00	5.60	\$728.00
		Total Hours	10.60	
			Total Fees	\$1,896.00

**EXHIBIT C**

**PROFESSIONAL RETENTION AND FEE APPLICATIONS  
(Task Code 007)**

<u>PARTNERS</u>	<u>INITIALS</u>	<u>HOURLY RATE</u>	<u>HOURS</u>	<u>FEE</u>
MICHAEL B. FISCO	M. Fisco	\$410.00	1.20	\$492.00
<u>ASSOCIATES/COUNSEL</u>				
JAMES D. H. LOUSHIN	J. Loushin	\$220.00	11.20	\$2,464.00
		Total Hours	12.40	
			Total Fees	\$2,956.00

EXHIBIT C

INVESTIGATION OF LENDER CLAIMS  
(Task Code 008)

<b>PARTNERS</b>	<b>INITIALS</b>	<b>HOURLY RATE</b>	<b>HOURS</b>	<b>FEE</b>
MICHAEL B. FISCO	M. Fisco	\$410.00	10.80	\$4,428.00
EDWARD T. WAHL	E. Wahl	\$390.00	6.40	\$2,496.00
STEPHEN M. MERTZ	S. Mertz	\$355.00	5.10	\$1,810.50
<b><u>ASSOCIATES/COUNSEL</u></b>				
ABBY E. WILKINSON	A. Wilkinson	\$200.00	24.20	\$4,840.00
NATHANIEL J. ZYLSTRA	N. Zylstra	\$185.00	9.10	\$1,683.50
		Total Hours	55.60	
			Total Fees	\$15,258.00

# **EXHIBIT D**

**EXHIBIT D**

**EXPENSES**

<b><u>EXPENSES</u></b>	<b><u>AMOUNT</u></b>
Telecommunication Costs	\$2.73
Lexis/Westlaw On Line Research	\$18.37
Internal Copying/Printing	\$252.90
<b>Total Expenses</b>	<b>\$274.00</b>

# FAEGRE & BENSON LLP

2200 WELLS FARGO CENTER, 90 SOUTH SEVENTH STREET  
MINNEAPOLIS, MINNESOTA 55402-3901  
TELEPHONE 612.766.7000  
FACSIMILE 612.766.1600  
www.faegre.com

July 19, 2004

Distribution Dynamics, Inc.  
c/o Dorsey & Whitney LLP  
Fifty South Sixth Street, Suite 1500  
Minneapolis, MN 55402-1498  
Attention: Chris Lenhart, Esq.

**BY MESSENGER**

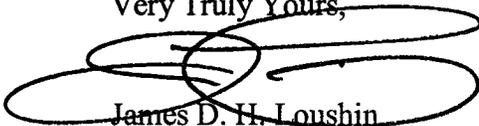
Re: Distribution Dynamics, Inc., et al., Case No. 04-32489 (Jointly Administered)

Dear Chris:

Pursuant to the agreed upon procedures, I have enclosed a coversheet, exhibits, and billing invoice summarizing and otherwise setting forth our fees and expenses for the period June 1, 2004 through June 30, 2004. Pursuant to the terms of the May 10, 2004 order, the Debtors are authorized to remit to us eighty percent (80%) of our requested fees and one hundred percent (100%) of our requested expenses. Please forward this letter (with exhibits) to the Debtors so that we may obtain payment of such fees and expenses by wire transfer as soon as practicable.

Please call me with any questions.

Very Truly Yours,



James D. H. Loushin

Enclosures

cc: Sarah Wencil, Esq., Counsel for the United States Trustee

M1:1122126.01

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

**MONTHLY FEE STATEMENT FOR SERVICES AND DISBURSEMENTS  
FOR THE PERIOD JUNE 1, 2004 THROUGH JUNE 30, 2004**

**In re:** **Distribution Dynamics, Inc.  
Distribution Dynamics Holdings, Inc.,  
Pro Fasteners,  
Northwestern Company,  
Rainbow Fastener Company**

**Case Nos.:** **04-32489  
04-32490  
04-32492  
04-32491  
04-32493**

**Name of Applicant:** **Faegre & Benson LLP**

**Name of Client:** **The Official Committee of Unsecured Creditors**

**Date of Retention:** **April 28, 2004**

**Application Period:** **June 1, 2004 through June 30, 2004**

**Fees for the Period:** **\$46,144.00**

**Expenses for the Period:** **\$452.74**

**Total Fees and Expenses:** **\$46,596.74\***

Dated: July 19, 2004

**FAEGRE & BENSON LLP**

By \_\_\_\_\_

**Michael B. Fisco (MN Bar No. 175341)**

**James D. H. Loushin (MN Bar No. 030427X)**

**Abby E. Wilkinson (MN Bar No. 0313981)**

**2200 Wells Fargo Center**

**90 South Seventh Street**

**Minneapolis, MN 55402-3901**

**Telephone: 612.766.7000**

**Facsimile: 612.766.1600**

**Counsel for the Official Committee of Unsecured  
Creditors**

\*See the Exhibits and Invoices attached hereto for detailed backup.

M1:1122207.01

EXHIBIT A

FAEGRE & BENSON LLP

2200 WELLS FARGO CENTER, 90 SOUTH SEVENTH STREET  
MINNEAPOLIS, MINNESOTA 55402-3901  
TELEPHONE 612-766-7000  
FACSIMILE 612-766-1600

July 19, 2004

Official Committee of Unsecured Creditors of Distribution  
Dynamics, Inc.  
c/o Michael B. Fisco  
2200 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402

INVOICE: 843977  
TO: FAEGRE & BENSON LLP  
EIN: 41-0244008

RE: Distribution Dynamics, Inc.  
Our File: 75497/304553

Through June 30, 2004

SERVICES:

Date:	Name:	Hours:	Value:	Services:
-----	-----	-----	-----	-----
	Task: 001			General Case Administration
06/01/04	M. Fisco	.40	164.00	Review confidentiality agreement (.2); conference with A. Wilkinson regarding agreement (.2)
06/01/04	A. Wilkinson	.70	140.00	Review and revise debtors' proposed confidentiality agreement (.5); conference with M. Fisco regarding same (.2)
06/03/04	A. Wilkinson	1.20	240.00	Telephone conference with M. Fisco and C. Lenhart regarding confidentiality agreement and other case-related matters (.2); revise and send out confidentiality agreement (.8); conference with M. Fisco regarding same (.2)
06/03/04	M. Fisco	.50	205.00	Review confidentiality agreement (.2); telephone conference with C. Lenhart regarding confidentiality agreement (.1); conference with A. Wilkinson regarding same (.2)

July 19, 2004

Page 2

06/04/04	D. Wegler	1.20	180.00	Conference with A. Wilkinson to discuss preference payment analysis (.2); review list of names for entities on unsecured creditors committee, prepetition lenders and former board of directors for receipt of possible payments (.2); review and analyze Debtors' payments to creditors (.8)
06/07/04	A. Wilkinson	.20	40.00	Review and send out confidentiality agreements and bylaws
06/07/04	D. Wegler	4.80	720.00	Prepare Debtors' preference payments chart (.5); review Debtors' Statement of Financial Affairs (4.3)
06/08/04	D. Wegler	3.20	480.00	Review and analyze Debtors' prepetition payments; review Debtors' filed schedules
06/09/04	D. Wegler	4.40	660.00	Continue review of Debtors' Statement of Financial Affairs and calculate preference payments
06/10/04	D. Wegler	3.40	510.00	Review Debtors' Statement of Financial Affairs, calculation of preference payments and finalize memorandum (2.1); conference with A. Wilkinson regarding preference review and summaries of interested parties (.3); review Private Offering Memorandum and analyze corporate records of Debtors (1.0)
06/10/04	A. Wilkinson	.50	100.00	Review Debtors' cash collateral budget (.1); conference with S. Mertz regarding sale auction (.1); conference with D. Wegler regarding Debtors' schedules and statement of financial affairs and relationships among Debtors and related-parties (.3)
06/10/04	M. Fisco	.60	246.00	Telephone conference with C. Lenhart regarding various case matters (.3); review revised budget (.3)
06/11/04	D. Wegler	3.90	585.00	Review Debtors' preference payments and prepare memorandum regarding same
06/12/04	A. Wilkinson	.20	40.00	Review preference analysis
06/14/04	A. Wilkinson	.40	80.00	Telephone conference with C. Lenhart regarding auction bids and send out executed confidentiality agreements (.1); conference with M. Fisco regarding 341 meeting (.3)

July 19, 2004

Page 3

06/14/04	M. Fisco	.70	287.00	Conference with A. Wilkinson regarding 341 meeting (.3); telephone conferences with creditors regarding status of case (.4)
06/15/04	D. Wegler	4.20	630.00	Review and analyze Debtors' corporate records and chart of timeline
06/15/04	M. Fisco	.80	328.00	Telephone conference with C. Lenhart regarding sale of assets and other case matters (.3); telephone conference with T. Lallier regarding distribution of sale proceeds (.3); telephone conference with creditors regarding various case matters (.2)
06/16/04	M. Fisco	.60	246.00	Telephone conferences with T. Lallier regarding order approving sale of assets (.3); conferences with A. Wilkinson regarding assumption motions, sale motions, and other case matters (.3)
06/16/04	A. Wilkinson	.30	60.00	Conference with M. Fisco regarding assumption motions, sale motions and other case matters
5/17/04	S. Mertz	.10	35.50	Analyze issues regarding sale of assets and auction
06/17/04	M. Fisco	1.40	574.00	Telephone conference with T. Lallier regarding sale order and distribution of proceeds (.2); telephone conference with J. Lodoen regarding sale order (.3); telephone conference with creditors regarding case matters (.2); conference with S. Mertz regarding auction (.3); review and respond to correspondence regarding various case matters (.4)
06/18/04	M. Fisco	.30	123.00	Conferences with S. Mertz regarding auctions
06/18/04	S. Mertz	3.70	1,313.50	Prepare for and attend auction of substantially all of the Debtors' assets (2.6); analyze issues regarding same and sale of Oregon assets (.2); draft e-mail to Committee members regarding same (.1); e-mail messages from M. Kalla and C. Lenhart regarding same (.1); participate in telephonic auction of DDI's Oregon Operations (.6); draft e-mail to Committee members regarding same (.1)

July 19, 2004

Page 4

06/21/04	M. Fisco	.90	369.00	Telephone conference with M. Kalla and C. Lenhart regarding sale hearings and other case matters (.3); review and respond to correspondence regarding various case matters (.6)
06/22/04	M. Fisco	.60	246.00	Telephone conferences with creditors regarding status of case (.4); review correspondence regarding various case matters (.2)
06/24/04	M. Fisco	.40	164.00	Telephone conference with creditors regarding status of case (.2); review and respond to correspondence regarding various case matters (.2)
06/25/04	M. Fisco	.30	123.00	Review and revise correspondence regarding various case matters
06/29/04	M. Fisco	.20	82.00	Review correspondence regarding various case matters
06/30/04	A. Wilkinson	.80	160.00	Conference with C. Lenhart, M. Knopf and M. Fisco regarding case administration and asset sales
06/30/04	M. Fisco	1.70	697.00	Prepare for and attend meeting at Dorsey & Whitney regarding various case matters (1.4); review memorandum regarding remaining case matters and budget for cash administration (.3)
	Total 001	42.60	\$9,828.00	

## Task: 002 Committee Meetings and Telephone Conferences

06/10/04	M. Fisco	.30	123.00	Correspondence to Committee members regarding various case matters
06/15/04	M. Fisco	2.40	984.00	Prepare agenda for Committee meeting (.3); telephone conference with A. Barnett regarding meeting (.2); prepare for and participate on Committee telephone conference (1.5); correspondence to Committee members regarding various case matters (.4)
06/15/04	A. Wilkinson	1.80	360.00	Prepare for and discuss Committee meeting with M. Fisco (.8); attend and draft minutes for Committee meeting (1.0)
06/15/04	J. Loushin	1.30	286.00	Prepare for and attend Committee telephone conference
06/16/04	M. Fisco	.50	205.00	Correspondence to Committee members regarding sale orders and distributions to lenders

July 19, 2004

Page 5

06/21/04	M. Fisco	.70	287.00	Telephone conference with A. Barnett regarding sale orders and related matters (.3); review and respond to correspondence from Committee members regarding sale hearings (.4)
06/22/04	M. Fisco	.30	123.00	Telephone conferences with Committee members regarding sale process and related matters
06/24/04	A. Wilkinson	.90	180.00	Telephonic meeting of the Committee
06/24/04	M. Fisco	1.90	779.00	Prepare agenda for Committee meeting (.2); prepare for and participate on Committee telephone conference (1.3); communications with Committee members regarding various case matters (.4)
06/24/04	J. Loushin	1.30	286.00	Prepare for and attend telephonic Committee meeting
06/27/04	A. Wilkinson	.30	60.00	Draft and send out minutes for June 24, 2004 Committee call
06/28/04	M. Fisco	.30	123.00	Communications with Committee members regarding various case matters
	Total 002	12.00	\$3,796.00	

## Task: 003 Review Pleadings

06/01/04	A. Wilkinson	.30	60.00	Review docket and pleadings (.2); follow-up with creditor regarding same (.1)
06/02/04	A. Wilkinson	.20	40.00	Review docket and pleadings
06/03/04	A. Wilkinson	1.30	260.00	Review and discuss with M. Fisco debtors' sale motion regarding Oregon operations and final order authorizing use of cash collateral by consent (1.0); review and send out docket and pleadings to committee members (.3)
06/03/04	M. Fisco	.20	82.00	Conference with A. Wilkinson regarding motion to sell Seattle operations
06/04/04	A. Wilkinson	.30	60.00	Review docket and pleadings (.1); telephone conference with Committee member regarding same (.2)
06/07/04	A. Wilkinson	.10	20.00	Review docket
06/08/04	A. Wilkinson	.60	120.00	Review docket and pleadings, including debtors' motions relating to assumption and assignment or rejection of executory contracts and unexpired leases
6/09/04	A. Wilkinson	.20	40.00	Conference with M. Fisco regarding pleadings
06/11/04	A. Wilkinson	.20	40.00	Review docket and pleadings

July 19, 2004

Page 6

06/12/04	A. Wilkinson	2.20	440.00	Review and draft summary of pleadings, including assumption and assignment motions and sale motion and asset purchase agreement (2.0); e-mail to committee members regarding same (.2)
06/14/04	A. Wilkinson	.40	80.00	Review pleadings and discuss same with M. Fisco
06/15/04	A. Wilkinson	.40	80.00	Review docket and pleadings
06/17/04	A. Wilkinson	.30	60.00	Review docket and pleadings
06/21/04	A. Wilkinson	.80	160.00	Review docket and pleadings (.5); review and send out revised sale orders (.3)
06/21/04	M. Fisco	1.00	410.00	Review and revise orders approving sales of assets
06/27/04	A. Wilkinson	.40	80.00	Review docket and pleadings
06/29/04	A. Wilkinson	.70	140.00	Review docket and pleadings (.3); draft and send out summary regarding same (.4)
Total 003		9.60	\$2,172.00	

Task: 004 Draft Motions and Responsive Pleadings

06/12/04	A. Wilkinson	1.00	200.00	Draft objection to motion for approval of sale of Oregon operations
Total 004		1.00	\$200.00	

Task: 005 Prepare for and attend hearings

06/14/04	A. Wilkinson	1.00	200.00	Prepare for and attend Debtors' Section 341 meeting
06/21/04	M. Fisco	2.40	984.00	Prepare for and attend hearings on sales of assets and assumption of executory contracts
06/21/04	A. Wilkinson	3.40	680.00	Review documents and prepare for June 21, 2004 hearings and conference with M. Fisco regarding same (1.3); telephone conference with Committee member regarding same (.1); attend June 21, 2004 sale hearings (1.5); draft and send summary to Committee regarding same (.5)
Total 005		6.80	\$1,864.00	

Task: 007 Professional Retention and Fee Applications

06/04/04	M. Fisco	.20	82.00	Conferences with J. Loushin regarding fee application
06/04/04	J. Loushin	1.60	352.00	Review and analyze local bankruptcy rules regarding preparation and submission of fee applications (.5); organize previous fee applications for conference with S. Carlson (.2);

July 19, 2004

Page 7

				conference with S. Carlson regarding preparation of fee application (.7); conference with M. Fisco regarding fee application (.2)
06/04/04	S. Carlson	2.30	345.00	Conference with J. Loushin regarding case status and requirements for fee application (.5); review time entries from 4/28/04 through 5/31/04 (1.0); review docket and case proceedings (.5); draft fee application (.3)
06/07/04	S. Carlson	2.50	375.00	Review case docket entries, procedural orders and draft fee application
06/08/04	S. Carlson	3.20	480.00	Draft fee application, order and certificate of service
06/09/04	S. Carlson	1.00	150.00	Prepare exhibits and revise fee application
06/10/04	S. Carlson	2.30	345.00	Prepare exhibits and finalize fee application
06/10/04	J. Loushin	1.80	396.00	Review and revise first interim fee application of Faegre & Benson
06/15/04	J. Loushin	1.00	220.00	Prepare revisions to Faegre's first interim fee application
5/16/04	J. Loushin	2.50	550.00	Prepare revisions to Faegre's first interim fee application (1.3); review and revise Faegre's invoice for legal services and expenses (.5); review and revise Faegre's exhibits summarizing costs for legal services and expenses (.5); conference with S. Carlson regarding revisions to fee application (.2)
06/16/04	S. Carlson	1.00	150.00	Conference with J. Loushin regarding revisions to fee application and noticing requirements (.2); revise exhibits (.8)
06/17/04	M. Fisco	.20	82.00	Conference with J. Loushin regarding fee application
06/17/04	S. Carlson	1.50	225.00	Conference with L. Grinde regarding additional time entries for fee application (.2); revise exhibits and fee application (1.3)
06/17/04	J. Loushin	2.00	440.00	Prepare statement of fees and expenses to be submitted to counsel to the Debtors and counsel to the United States Trustee (1.4); telephone conference with C. Lenhart regarding procedures

July 19, 2004

Page 8

				for submitting monthly fees and expenses (.2); revise cover sheet provided by C. Lenhart to submit monthly fees and expenses (.2); conference with M. Fisco regarding fee application (.2)
06/18/04	S. Carlson	.20	30.00	Revise exhibits and fee application
06/24/04	J. Loushin	.60	132.00	Prepare e-mail correspondence to C. Lenhart regarding status of payment on first request for payment of fees and expenses (.2); telephone conference with C. Lenhart regarding same (.2); transmit wire instructions to C. Lenhart to receive payment (.2)
06/30/04	J. Loushin	.60	132.00	Review and analyze fee statement submitted by counsel to the Debtors
	Total 007	24.50	\$4,486.00	

## Task: 008 Investigation of Lender Claims

06/01/04	M. Hernandez	2.20	286.00	Draft memorandum regarding lender liability
06/01/04	S. Mertz	.20	71.00	Analyze issues regarding equitable subordination claims (.1); conference with M. Fisco regarding potential claims against lenders (.1)
06/01/04	M. Fisco	1.30	533.00	Conference with S. Mertz regarding potential claims against Lenders (.1); review case law regarding potential claims (1.2)
06/02/04	S. Mertz	1.40	497.00	Research and analyze issues regarding potential claims against the lenders
06/02/04	M. Hernandez	.60	78.00	Draft memorandum regarding lender liability
06/03/04	M. Hernandez	2.20	286.00	Draft memorandum regarding lender liability and further research regarding same
06/04/04	M. Hernandez	4.50	585.00	Draft and revise memorandum regarding lender liability
06/04/04	S. Mertz	.20	71.00	Research regarding potential claims against the lenders
06/07/04	A. Wilkinson	.20	40.00	Conference with M. Fisco regarding discovery requests directed to lenders
06/07/04	S. Mertz	.90	319.50	Review memorandum regarding lender liability and analyze issues regarding same
06/07/04	M. Fisco	1.90	779.00	Review and analyze potential claims against lenders

July 19, 2004

Page 9

06/08/04	M. Fisco	.60	246.00	Telephone conference with T. Lallier regarding document production (.4); conferences with A. Wilkinson regarding document review and related matters (.2)
06/08/04	A. Wilkinson	.20	40.00	Conference with M. Fisco regarding document review issues
06/08/04	D. Wegler	.20	30.00	Conference with M. Fisco, A. Wilkinson, and S. Carlson regarding review and analysis of lender documents to be produced
06/10/04	S. Mertz	.10	35.50	Analyze issues regarding discovery and potential claims against the lenders
06/11/04	S. Mertz	.50	177.50	Research and analyze issues regarding potential claims against the lenders
06/11/04	D. Wegler	.40	60.00	Review and analyze relationship between Debtors and lenders
06/14/04	D. Wegler	.80	120.00	Review Debtors' loan documentation and draft memorandum regarding timeline of transactions
06/14/04	M. Fisco	.90	369.00	Review and analyze potential claims
06/15/04	S. Carlson	.50	75.00	Conference with A. Wilkinson and D. Wegler regarding lien summary of lenders
06/15/04	A. Wilkinson	.50	100.00	Conference with S. Carlson and D. Wegler regarding investigation of lenders' liens and interests
06/15/04	D. Wegler	.50	75.00	Conference with A. Wilkinson and S. Carlson regarding review and analysis of lender's collateral and perfection of same
06/17/04	S. Mertz	.10	35.50	Analyze issues regarding potential claims against the lenders
06/18/04	S. Mertz	.40	142.00	Analyze issues regarding potential claims against the lenders
06/18/04	M. Fisco	.80	328.00	Review and analyze potential claims
06/21/04	D. Wegler	.30	45.00	Conference with S. Carlson regarding filed UCCs and CT report
06/21/04	D. Wegler	3.50	525.00	Review prepetition loan documentation and revise memorandum regarding same
06/21/04	S. Carlson	.80	120.00	Work on UCC lien summary and conference with D. Wegler regarding same
06/22/04	S. Carlson	6.30	945.00	Review documents produced by lenders (5.9); conference with A. Wilkinson and D. Wegler regarding production of documents (.4)

July 19, 2004

Page 10

06/22/04	D. Wegler	7.30	1,095.00	Continue reviewing prepetition loan documentation, corporate records and revise memorandum regarding timing of events (.6); conference with A. Wilkinson and S. Carlson to discuss documents produced by lenders and debtors (.4); review and summarize Heller produced documents (6.3)
06/22/04	A. Wilkinson	5.80	1,160.00	Review documents produced by lenders pursuant to Committee's first request for documents (5.2); conference with M. Fisco regarding same (.2); conference with S. Carlson and D. Wegler regarding production of documents (.4)
06/22/04	M. Stewart	.40	164.00	Analyze ability to surcharge senior lenders' collateral
06/22/04	M. Fisco	1.50	615.00	Review documents and conferences with A. Wilkinson regarding lender documents (.7); research regarding section 506(C) (.8)
06/23/04	M. Fisco	1.70	697.00	Review and analyze potential claims (1.0); conferences with A. Wilkinson regarding document review (.3); telephone conferences with T. Lallier regarding settlement meeting and other matters (.4)
06/23/04	A. Wilkinson	7.20	1,440.00	Review documents produced by lenders pursuant to Committee's first request for documents
06/23/04	D. Wegler	5.30	945.00	Continue review of Heller produced documents
06/23/04	S. Carlson	6.10	915.00	Review documents produced by lenders
06/24/04	S. Carlson	4.10	615.00	Review documents produced by lenders
06/24/04	M. Fisco	1.70	697.00	Telephone conference with C. Lenhart regarding status of discovery requests (.2); correspondence to C. Lenhart regarding discovery matters (.2); conference with R. Hetland regarding legal research (.3); review and analyze potential claims and prepare for meeting with Lenders (1.0)
06/24/04	A. Wilkinson	.20	40.00	Conference with D. Wegler regarding document review and production
06/24/04	D. Wegler	5.60	840.00	Continue reviewing Heller produced documents (5.4); conference with A. Wilkinson regarding summary of findings (.2)

July 19, 2004

Page 11

6/25/04	D. Wegler	4.20	630.00	Review Heller produced documents (2.4); conference with A. Wilkinson regarding summary of findings (.2); draft memorandum regarding same (1.6)
06/25/04	A. Wilkinson	.20	40.00	Conference with D. Wegler regarding document review
06/25/04	M. Fisco	1.20	492.00	Telephone conference with C. Lenhart regarding status of discovery requests (.2); review and analyze potential claims (1.0)
06/25/04	R. Hetland	1.70	221.00	Research Bankruptcy Code Section 506(c)
06/25/04	S. Carlson	2.70	405.00	Review documents produced by lenders
06/27/04	A. Wilkinson	1.80	360.00	Review documents produced by lenders pursuant to Committee's first request for documents
06/28/04	A. Wilkinson	.20	40.00	Conference with D. Wegler regarding document review and investigation of claims regarding Debtors' pre-petition lenders
06/28/04	M. Fisco	1.40	574.00	Conference with R. Hetland regarding legal research (.2); review answers to interrogatories (.4); review documents produced by Debtors (.8)
06/28/04	S. Carlson	2.30	345.00	Complete document production summary and work on UCC summary
06/28/04	D. Wegler	2.90	435.00	Finalize memorandum regarding findings from review of produced documents (1.9); conference with A. Wilkinson and M. Fisco regarding same (.3); review notes regarding preference payments to prepetition lenders (.7)
06/28/04	D. Wegler	1.30	195.00	Review Debtors' Response to First Set of Interrogatories along with produced documents relative to answers
06/29/04	D. Wegler	1.30	195.00	Review Debtors' Response to First Set of Interrogatories along with produced documents relative to answers
06/29/04	D. Wegler	2.50	375.00	Review Heller loan statements and draft memorandum regarding loan balances and fees charged (1.5); review Debtors' additional produced documents (.2); draft memorandum regarding summary of documents (.8)
6/29/04	S. Carlson	2.20	330.00	Work on UCC summary

July 19, 2004

Page 12

06/29/04	S. Mertz	.70	248.50	Analyze issues regarding resolution of potential claims against the lenders and conference with M. Fisco and A. Wilkinson regarding same
06/29/04	A. Wilkinson	.70	140.00	Conference with M. Fisco and S. Mertz regarding claims investigation (.5); review documents for same (.2)
06/29/04	M. Fisco	1.00	410.00	Meeting with A. Wilkinson and S. Mertz regarding status of investigation and potential claims (.5); telephone conference with C. Lenhart regarding meeting with Debtors (.2); prepare outline of discussion points for meeting (.3)
06/29/04	R. Hetland	2.30	299.00	Research Section 506(c) of the Bankruptcy Code
06/30/04	R. Hetland	3.80	494.00	Research and draft memorandum regarding Section 506(c) of the Bankruptcy Code
06/30/04	D. Wegler	2.50	375.00	Review Debtors' Answers to Interrogatories and produced documents (1.9); conference with A. Wilkinson and M. Fisco regarding analysis of findings (.6)
06/30/04	S. Mertz	.10	35.50	Analyze issues regarding director's willingness to help pursue claims against the lenders
06/30/04	M. Fisco	.20	82.00	Conference with R. Hetland regarding legal research
06/30/04	A. Wilkinson	4.20	840.00	Review documents produced by Debtors and Debtors' pre-petition lenders' pursuant to committee document requests (3.7); conferences with M. Fisco and D. Wegler regarding same (.5)
	Total 008	122.30	\$23,798.00	

Total Hours 218.80

SERVICES:

\$46,144.00

DISBURSEMENTS:

Internal Copying/Printing	149.70
Telecommunication Costs	1.33
External Telephone/Telecopy	158.21
Lexis Research	139.50
MN Secretary of State Filing Fee-	4.00

TOTAL DISBURSEMENTS:

\$452.74

TOTAL:

\$46,596.74  
=====

SUMMARY

M. Fisco	Partner	34.00	hours at	\$410.00	=	\$13,940.00
M. Stewart	Partner	.40	hours at	\$410.00	=	\$164.00
S. Mertz	Partner	8.40	hours at	\$355.00	=	\$2,982.00
A. Wilkinson	Associate	42.30	hours at	\$200.00	=	\$8,460.00
J. Loushin	Associate	12.70	hours at	\$220.00	=	\$2,794.00
D. Wegler	Paralegal	64.70	hours at	\$150.00	=	\$9,705.00
S. Carlson	Paralegal	39.00	hours at	\$150.00	=	\$5,850.00
M. Hernandez	Summer Assoc	9.50	hours at	\$130.00	=	\$1,235.00
. Hetland	Summer Assoc	7.80	hours at	\$130.00	=	\$1,014.00
		-----				-----
TOTAL		218.80				\$46,144.00

**EXHIBIT B  
PROFESSIONALS AND PARAPROFESSIONALS**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>YEAR ADMITTED TO PRACTICE</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	1986	\$410.00	34.00	\$13,940.00
MICHAEL R. STEWART	M. Stewart	1980	\$410.00	0.40	\$164.00
STEPHEN M. MERTZ	S. Mertz	1990	\$355.00	8.40	\$2,982.00
<b><u>ASSOCIATES/COUNSEL</u></b>					
JAMES D. H. LOUSHIN	J. Loushin	2000	\$220.00	12.70	\$2,794.00
ABBY E. WILKINSON	A. Wilkinson	2001	\$200.00	42.30	\$8,460.00
<b><u>SUMMER ASSOCIATES</u></b>					
MARIKO E. HERNANDEZ	M. Hernandez	N/A	\$130.00	9.50	\$1,235.00
RACHEL L. HETLAND	R. Hetland	N/A	\$130.00	7.80	\$1,014.00
<b><u>PARALEGALS</u></b>					
SUSAN E. CARLSON	S. Carlson	N/A	\$150.00	39.00	\$5,850.00
DEBRA L. WEGLER	D. Wegler	N/A	\$150.00	64.70	\$9,705.00
			Total Hours	218.80	
				Total Fees	\$46,144.00

**EXHIBIT C**

**GENERAL CASE ADMINISTRATION  
(Task Code 001)**

<b>PARTNERS</b>	<b>INITIALS</b>	<b>HOURLY RATE</b>	<b>HOURS</b>	<b>FEE</b>
MICHAEL B. FISCO	M. Fisco	\$410.00	9.40	\$3,854.00
STEPHEN M. MERTZ	S. Mertz	\$355.00	3.80	\$1,349.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
ABBY E. WILKINSON	A. Wilkinson	\$200.00	4.30	\$860.00
<b><u>PARALEGALS</u></b>				
DEBRA L. WEGLER	D. Wegler	\$150.00	25.10	\$3,765.00
		Total Hours	42.60	
			Total Fees	\$9,828.00

**EXHIBIT C**

**COMMITTEE MEETINGS AND TELEPHONE CONFERENCES  
(Task Code 002)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	6.40	\$2,624.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
JAMES D. H. LOUSHIN	J. Loushin	\$220.00	2.60	\$572.00
ABBY E. WILKINSON	A. Wilkinson	\$200.00	3.00	\$600.00
		Total Hours	12.00	
			Total Fees	\$3,796.00

**EXHIBIT C**

**REVIEW PLEADINGS  
(Task Code 003)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	1.20	\$492.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
ABBY E. WILKINSON	A. Wilkinson	\$200.00	8.40	\$1,680.00
		Total Hours	9.60	
			Total Fees	\$2,172.00

**EXHIBIT C**

**DRAFT MOTIONS AND RESPONSIVE PLEADINGS  
(Task Code 004)**

<b><u>ASSOCIATES/COUNSEL</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
ABBY E. WILKINSON	A. Wilkinson	\$200.00	1.00	\$200.00
		Total Hours	1.00	
			Total Fees	\$200.00

**EXHIBIT C**

**PREPARE FOR AND ATTEND HEARINGS  
(Task Code 005)**

<b>PARTNERS</b>	<b>INITIALS</b>	<b>HOURLY RATE</b>	<b>HOURS</b>	<b>FEE</b>
MICHAEL B. FISCO	M. Fisco	\$410.00	2.40	\$984.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
ABBY E. WILKINSON	A. Wilkinson	\$200.00	4.40	\$880.00
		Total Hours	6.80	
			Total Fees	\$1,864.00

**EXHIBIT C**

**PROFESSIONAL RETENTION AND FEE APPLICATIONS  
(Task Code 007)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	0.40	\$164.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
JAMES D. H. LOUSHIN	J. Loushin	\$220.00	10.10	\$2,222.00
<b><u>PARALEGALS</u></b>				
SUSAN E. CARLSON	S. Carlson	\$150.00	14.00	\$2,100.00
		Total Hours	24.50	
			Total Fees	\$4,486.00

**EXHIBIT C****INVESTIGATION OF LENDER CLAIMS  
(Task Code 008)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	14.20	\$5,822.00
MICHAEL R. STEWART	M. Stewart	\$410.00	0.40	\$164.00
STEPHEN M. MERTZ	S. Mertz	\$355.00	4.60	\$1,633.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
ABBY E. WILKINSON	A. Wilkinson	\$200.00	21.20	\$4,240.00
<b><u>SUMMER ASSOCIATES</u></b>				
MARIKO E. HERNANDEZ	M. Hernandez	\$130.00	9.50	\$1,235.00
RACHEL L. HETLAND	R. Hetland	\$130.00	7.80	\$1,014.00
<b><u>PARALEGALS</u></b>				
SUSAN E. CARLSON	S. Carlson	\$150.00	25.00	\$3,750.00
DEBRA L. WEGLER	D. Wegler	\$150.00	39.60	\$5,940.00
			Total Hours	122.30
			Total Fees	\$23,798.00

**EXHIBIT D**

**EXPENSES**

<b><u>EXPENSES</u></b>	<b><u>AMOUNT</u></b>
Telecommunication Costs	\$1.33
Lexis/Westlaw On Line Research	\$139.50
Internal Copying/Printing	\$149.70
External Telephone/Telecopy	\$158.21
MN Sec of State Filing Fee	\$4.00
<b>Total Expenses</b>	<b>\$452.74</b>

# FAEGRE & BENSON LLP

2200 WELLS FARGO CENTER, 90 SOUTH SEVENTH STREET  
MINNEAPOLIS, MINNESOTA 55402-3901  
TELEPHONE 612.766.7000  
FACSIMILE 612.766.1600  
www.faegre.com

August 16, 2004

Distribution Dynamics, Inc.  
c/o Dorsey & Whitney LLP  
Fifty South Sixth Street, Suite 1500  
Minneapolis, MN 55402-1498  
Attention: Chris Lenhart, Esq.

**BY MESSENGER**

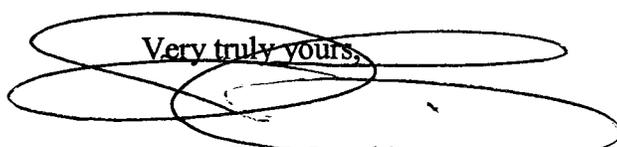
Re: Distribution Dynamics, Inc. , et al., Case No. 04-32489 (Jointly Administered)

Dear Chris:

Pursuant to the agreed upon procedures, I have enclosed a coversheet, exhibits, and billing invoice summarizing and otherwise setting forth our fees and expenses for the period July 1, 2004 through July 31, 2004. Pursuant to the terms of the May 10, 2004 order, the Debtors are authorized to remit to us eighty percent (80%) of our requested fees and one hundred percent (100%) of our requested expenses. Please forward this letter (with exhibits) to the Debtors so that we may obtain payment of such fees and expenses by wire transfer as soon as practicable.

Please call me with any questions.

Very truly yours,

  
James D. H. Loushin

Enclosures

cc: Sarah Wencil, Esq., Counsel for the United States Trustee

M1:1131379.01

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

**MONTHLY FEE STATEMENT FOR SERVICES AND DISBURSEMENTS  
FOR THE PERIOD JULY 1, 2004 THROUGH JULY 31, 2004**

**In re:** **Distribution Dynamics, Inc.  
Distribution Dynamics Holdings, Inc.  
Pro Fasteners  
Northwestern Company  
Rainbow Fastener Company**

**Case Nos.:** **04-32489  
04-32490  
04-32492  
04-32491  
04-32493**

**Name of Applicant:** **Faegre & Benson LLP**

**Name of Client:** **The Official Committee of Unsecured Creditors**

**Date of Retention:** **April 28, 2004**

**Application Period:** **July 1, 2004 through July 31, 2004**

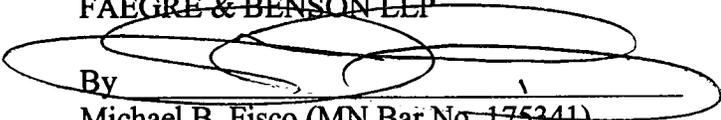
**Fees for the Period:** **\$29,693.50**

**Expenses for the Period:** **\$424.23**

**Total Fees and Expenses:** **\$30,117.73\***

**Dated:** August 16, 2004

~~FAEGRE & BENSON LLP~~

By 

Michael B. Fisco (MN Bar No. 175341)  
James D. H. Loushin (MN Bar No. 030427X)  
Abby E. Wilkinson (MN Bar No. 0313981)  
2200 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402-3901  
Telephone: 612.766.7000  
Facsimile: 612.766.1600

Counsel for the Official Committee of Unsecured  
Creditors

\*See the Exhibits and Invoices attached hereto for detailed backup.  
MI:1131378.01

**EXHIBIT B  
PROFESSIONALS AND PARAPROFESSIONALS**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>YEAR ADMITTED TO PRACTICE</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	1986	\$410.00	30.60	\$12,546.00
MICHAEL R. STEWART	M. Stewart	1980	\$410.00	0.20	\$82.00
STEPHEN M. MERTZ	S. Mertz	1990	\$355.00	0.10	\$35.50
<b><u>ASSOCIATES/COUNSEL</u></b>					
JAMES D. H. LOUSHIN	J. Loushin	2000	\$220.00	16.30	\$3,586.00
ABBY E. WILKINSON	A. Wilkinson	2001	\$200.00	47.80	\$9,560.00
<b><u>SUMMER ASSOCIATES</u></b>					
RACHEL L. HETLAND	R. Hetland	N/A	\$130.00	5.30	\$689.00
<b><u>PARALEGALS</u></b>					
SUSAN E. CARLSON	S. Carlson	N/A	\$150.00	14.80	\$2,220.00
DEBRA L. WEGLER	D. Wegler	N/A	\$150.00	6.50	\$975.00
			Total Hours	121.60	
				Total Fees	\$29,693.50

**EXHIBIT C**

**GENERAL CASE ADMINISTRATION  
(Task Code 001)**

<b>PARTNERS</b>	<b>INITIALS</b>	<b>HOURLY RATE</b>	<b>HOURS</b>	<b>FEE</b>
MICHAEL B. FISCO	M. Fisco	\$410.00	3.50	\$1,435.00
<b>ASSOCIATES/COUNSEL</b>				
JAMES D.H. LOUSHIN	J. Loushin	\$220.00	0.70	\$154.00
ABBY E. WILKINSON	A. Wilkinson	\$200.00	0.80	\$160.00
		Total Hours	5.00	
			Total Fees	\$1,749.00

**EXHIBIT C**

**COMMITTEE MEETINGS AND TELEPHONE CONFERENCES  
(Task Code 002)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	6.40	\$2,624.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
JAMES D. H. LOUSHIN	J. Loushin	\$220.00	3.40	\$748.00
ABBY E. WILKINSON	A. Wilkinson	\$200.00	4.40	\$880.00
		Total Hours	14.20	
			Total Fees	\$4,252.00

**EXHIBIT C**

**REVIEW PLEADINGS  
(Task Code 003)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	2.10	\$861.00
<b><u>ASSOCIATES/COUNSEL</u></b>				
ABBY E. WILKINSON	A. Wilkinson	\$200.00	3.60	\$720.00
		Total Hours	5.70	
			Total Fees	\$1,581.00

**EXHIBIT C**

**DRAFT MOTIONS AND RESPONSIVE PLEADINGS  
(Task Code 004)**

<b><u>ASSOCIATES/COUNSEL</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
JAMES D.H. LOUSHIN	J. Loushin	\$220.00	9.10	\$2,002.00
		Total Hours	9.10	
			Total Fees	\$2,002.00

**EXHIBIT C**

**LEGAL RESEARCH  
(Task Code 006)**

<b>SUMMER ASSOCIATES</b>	<b>INITIALS</b>	<b><u>HOURLY</u> RATE</b>	<b>HOURS</b>	<b>FEE</b>
RACHEL L. HETLAND	R. Hetland	\$130.00	5.30	\$689.00
		Total Hours	5.30	
			Total Fees	\$689.00

**EXHIBIT C**

**PROFESSIONAL RETENTION AND FEE APPLICATIONS  
(Task Code 007)**

<b><u>ASSOCIATES/COUNSEL</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
JAMES D. H. LOUSHIN	J. Loushin	\$220.00	3.10	\$682.00
<b><u>PARALEGALS</u></b>				
SUSAN E. CARLSON	S. Carlson	\$150.00	1.00	\$150.00
		Total Hours	4.10	
			Total Fees	\$832.00

**EXHIBIT C**

**INVESTIGATION OF LENDER CLAIMS  
(Task Code 008)**

<b><u>PARTNERS</u></b>	<b><u>INITIALS</u></b>	<b><u>HOURLY RATE</u></b>	<b><u>HOURS</u></b>	<b><u>FEE</u></b>
MICHAEL B. FISCO	M. Fisco	\$410.00	18.60	\$7,626.00
MICHAEL R. STEWART	M. Stewart	\$410.00	0.20	\$82.00
STEPHEN M. MERTZ	S. Mertz	\$355.00	0.10	\$35.50
<b><u>ASSOCIATES/COUNSEL</u></b>				
ABBY E. WILKINSON	A. Wilkinson	\$200.00	39.00	\$7,800.00
<b><u>PARALEGALS</u></b>				
SUSAN E. CARLSON	S. Carlson	\$150.00	13.80	\$2,070.00
DEBRA L. WEGLER	D. Wegler	\$150.00	6.50	\$975.00
		Total Hours	78.20	
			Total Fees	\$18,588.50

**EXHIBIT D**

**EXPENSES**

<b><u>EXPENSES</u></b>	<b><u>AMOUNT</u></b>
Telecommunication Costs	\$0.77
Lexis/Westlaw On Line Research	\$81.64
Internal Copying/Printing	\$272.40
External Telephone/Telecopy	\$69.42
<b>Total Expenses</b>	<b>\$424.23</b>

**FAEGRE & BENSON LLP**  
2200 WELLS FARGO CENTER, 90 SOUTH SEVENTH STREET  
MINNEAPOLIS, MINNESOTA 55402-3901  
TELEPHONE 612-766-7000  
FACSIMILE 612-766-1600

August 16, 2004

Official Committee of Unsecured Creditors of Distribution  
Dynamics, Inc.  
c/o Michael B. Fisco  
2200 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402

INVOICE: 848586  
TO: FAEGRE & BENSON LLP  
EIN: 41-0244008

---

RE: Distribution Dynamics, Inc.  
Our File: 75497/304553

Through July 31, 2004

SERVICES:

Date:	Name:	Hours:	Value:	Services:
-----	-----	-----	-----	-----
	Task: 001			General Case Administration
07/01/04	A. Wilkinson	.50	100.00	E-mail to Committee members regarding Committee counsel meeting with Debtors' counsel regarding sale, use of sale proceeds, and other case-related issues
07/06/04	M. Fisco	.70	287.00	Review information from the Debtors regarding anticipated distributions to unsecured creditors (.3); communications with C. Lenhart regarding information and related matters (.2); conference with A. Wilkinson regarding research project (.2)
07/13/04	M. Fisco	.50	205.00	Review and respond to correspondence from Debtors and Lenders regarding cash collateral and other case matters (.2); review budget and stipulation for use of cash collateral (.3)

August 16, 2004

Page 2

07/14/04	A. Wilkinson	.20	40.00	Review information provided by Debtors regarding unsecured creditors' position in bankruptcy cases
07/15/04	M. Fisco	1.00	410.00	Review information regarding unsecured claims (.8); review calculation of Lenders' claims (.2)
07/16/04	M. Fisco	.20	82.00	Telephone conference with T. Lallier regarding cash collateral and related matters
07/22/04	M. Fisco	.30	123.00	Communications with Committee regarding settlement and related matters
07/23/04	M. Fisco	.20	82.00	Telephone conferences with C. Lenhart regarding various case matters
07/27/04	M. Fisco	.20	82.00	Correspondence and telephone conference with T. Lallier regarding extension of time to investigate and file claims against Lenders
07/27/04	M. Fisco	.20	82.00	Review plan and disclosure statement matters
07/28/04	A. Wilkinson	.10	20.00	Telephone conference with Committee member regarding proofs of claim
07/29/04	J. Loushin	.50	110.00	E-mails to and from C. Lenhart regarding meeting to discuss liquidating plan
07/30/04	J. Loushin	.20	44.00	Coordinate meeting with C. Lenhart and M. Knopf regarding liquidating plan
07/30/04	M. Fisco	.20	82.00	Communications with C. Lenhart regarding meeting
	Total 001	5.00	\$1,749.00	

## Task: 002 Committee Meetings and Telephone Conferences

07/06/04	M. Fisco	1.90	779.00	Prepare for and participate on Committee telephone conference regarding settlement with the Lenders
07/06/04	J. Loushin	1.50	330.00	Prepare for and attend telephonic meeting with Committee
07/06/04	A. Wilkinson	1.60	320.00	Attend Committee telephone conference (1.2); draft minutes for same (.4)
07/07/04	A. Wilkinson	.50	100.00	Attend Committee conference call (.3); draft and send out minutes for same (.2)
07/07/04	J. Loushin	.50	110.00	Prepare for and attend telephonic Committee meeting

07/07/04	M. Fisco	1.10	451.00	Review and respond to correspondence from Committee members regarding various case matters (.6); prepare for and participate on Committee telephone conference regarding status of negotiations with Lenders (.5)
07/13/04	A. Wilkinson	.80	160.00	Prepare for and attend Committee conference call (.6); draft minutes for same (.2)
07/13/04	M. Fisco	1.30	533.00	Prepare for and participate on telephone conference with Committee regarding settlement negotiations with Lenders (.9); telephone conferences and correspondence with Committee members regarding various case matters (.4)
07/13/04	J. Loushin	1.10	242.00	Prepare for and attend telephonic conference regarding settlement with Lenders (.9); prepare for and attend telephonic meeting with Committee members (.2)
07/15/04	A. Wilkinson	.80	160.00	Prepare for and attend Committee meeting (.5); draft and send out minutes for same (.3)
07/15/04	M. Fisco	1.20	492.00	Prepare for and participate on Committee telephone conference (.9); correspondence and communications with Committee members regarding various case matters (.3)
07/23/04	J. Loushin	.30	66.00	Prepare for and attend telephonic Committee meeting
07/23/04	A. Wilkinson	.70	140.00	Prepare for and attend Committee call (.4); draft and send out minutes for same (.3)
07/23/04	M. Fisco	.70	287.00	Telephone conferences with Committee members regarding terms of settlement with Lenders
07/26/04	M. Fisco	.20	82.00	Review and respond to correspondence from Committee members
Total 002		14.20	\$4,252.00	

Task: 003 Review Pleadings

07/01/04	A. Wilkinson	.10	20.00	Review pleadings and docket
07/06/04	A. Wilkinson	.20	40.00	Review docket and pleadings
07/16/04	M. Fisco	.90	369.00	Review cash collateral stipulation and proposed order
7/19/04	A. Wilkinson	.20	40.00	Review docket and pleadings

August 16, 2004

Page 4

07/21/04	M. Fisco	1.20	492.00	Review and revise motion and related documents regarding settlement with Lenders (.9); conferences with A. Wilkinson regarding documents and revisions (.3)
07/21/04	A. Wilkinson	.80	160.00	Review revised, proposed settlement agreement and motion for approval of same (.3); conference with M. Fisco regarding same (.3); telephone conferences with C. Lenhart regarding same (.2)
07/22/04	A. Wilkinson	1.90	380.00	Review docket (.1); review motion for approval of sale agreement regarding Debtors' Houston property (.6); conference with M. Fisco regarding same (.3); review and revise proposed settlement agreement and motion for approval of same (.7); telephone conference with V. Kaufman regarding same (.2)
07/26/04	A. Wilkinson	.20	40.00	Review docket and pleadings
07/30/04	A. Wilkinson	.20	40.00	Review docket and pleadings
	Total 003	5.70	\$1,581.00	

## Task: 004 Draft Motions and Responsive Pleadings

07/07/04	J. Loushin	3.50	770.00	Prepare motion for expedited hearing to obtain extension of time to commence adversary complaint against the Lenders
07/08/04	J. Loushin	5.00	1,100.00	Telephone conference with Clerk's office to schedule expedited hearing on motion to extend time to file adversary complaint against Lenders (.3); prepare motion to approve expedited hearing and request to extend time to file action against the Lenders (4.7)
07/09/04	J. Loushin	.60	132.00	Prepare motion for expedited hearing and to approve extension of time for the Committee to file adversary complaint against Lenders (.4); telephone conference with the Clerk's office regarding withdrawal/cancellation of hearing (.2)
	Total 004	9.10	\$2,002.00	

## Task: 006 Legal Research

07/01/04	R. Hetland	4.60	598.00	Draft memorandum on section 506(c) of the Bankruptcy Code
07/02/04	R. Hetland	.70	91.00	Draft memorandum on section 506(c) of the Bankruptcy Code

August 16, 2004

Page 5

	Total	006	5.30	\$689.00	
	Task:	007			Professional Retention and Fee Applications
07/09/04	J. Loushin		1.50	330.00	Review and revise June 2004 billing invoice for Faegre & Benson's fees and expenses
07/15/04	J. Loushin		.30	66.00	Review and finalize June 2004 billing invoice of Faegre & Benson's fees and expenses
07/16/04	J. Loushin		.30	66.00	Review and analyze billing invoice for Faegre & Benson's fees and expenses for June 2004
07/19/04	S. Carlson		1.00	150.00	Prepare exhibits for second fee application
07/19/04	J. Loushin		1.00	220.00	Review and prepare final revisions to billing invoice of Faegre & Benson for June 2004; prepare letter, cover sheet, and review and revise exhibits to be sent to C. Lenhart for payment of June 2004 fees and expenses
	Total	007	4.10	\$832.00	
	Task:	008			Investigation of Lender Claims
07/01/04	D. Wegler		3.40	510.00	Conference with A. Wilkinson regarding status of discussions with Debtor's and Lender's counsel (.3); research work history of investor (.3); prepare binders of discovery documents for use in discussions with Debtor's and Lender's counsel (2.8)
07/01/04	S. Carlson		1.70	255.00	Prepare UCC summary
07/01/04	A. Wilkinson		5.50	1,100.00	Review and draft summary regarding documents and privilege log produced by Debtors and Debtors' pre-petition lenders pursuant to Committee's first requests for documents (5.2); conference with D. Wegler regarding same
07/01/04	M. Fisco		2.20	902.00	Review documents regarding Debtors' relationship with Lenders
07/02/04	M. Fisco		1.00	410.00	Review documents from Lenders and Debtors
07/02/04	S. Carlson		5.00	750.00	Prepare UCC summary
07/02/04	D. Wegler		2.70	405.00	Conference with A. Wilkinson regarding review and analysis of produced documents (.2); finalize binders of documentation retrieved through discovery (2.5)

August 16, 2004

Page      6

7/02/04	A. Wilkinson	3.60	720.00	Review lien search and related financing statements (2.0); review and draft summary of documents produced by Debtors and their pre-petition Lenders (1.4); conference with D. Wegler regarding same (.2)
07/05/04	A. Wilkinson	2.00	400.00	Review documents and prepare for July 6, 2004 meeting with Lenders' and Debtors' counsel (1.1); conference with M. Fisco regarding same (.9)
07/05/04	M. Fisco	4.00	1,640.00	Review documents and prepare for meeting with the Lenders (3.1); conference with A. Wilkinson regarding potential claims (.9)
07/06/04	A. Wilkinson	5.50	1,100.00	Review documents and prepare for July 6, 2004 meeting with Debtors' and Lenders' counsel (2.5); conferences with M. Fisco regarding same (.5); conference with Debtors' and Lenders' counsel (2.5)
07/06/04	M. Stewart	.20	82.00	Analyze Lender liability issues regarding pre-petition actions of Lenders affecting management
07/06/04	M. Fisco	4.80	1,968.00	Prepare for and attend meeting at Dorsey & Whitney with the Debtors and Lenders (4.0); telephone conference with T. Lallier and H. Feldstein regarding settlement (.3); conferences with A. Wilkinson regarding various case matters (.5)
07/07/04	A. Wilkinson	1.50	300.00	Review and draft summary of documents received pursuant to Committee document requests (1.2); conference with S. Carlson regarding same (.3)
07/07/04	S. Carlson	1.00	150.00	Conference with A. Wilkinson regarding responses to the interrogatories and summary of fees paid to Lenders (.2); prepare fee summary (.8)
07/08/04	S. Carlson	3.50	525.00	Review response to interrogatories (.3); review production documents and date of receipt (.3); review documentation relating to the interrogatories (.3); prepare memorandum regarding pending issues relating to the interrogatories (.4); prepare loan charge summary (2.2)

August 16, 2004

Page 7

7/08/04	A. Wilkinson	5.20	1,040.00	Investigation of Lender claims (.7); review research regarding Section 506(c) of Bankruptcy Code (1.0); telephone conference with A. Barnett and M. Fisco regarding case matters (1.5); review additional documents produced by Debtors (2.0)
07/08/04	M. Fisco	1.90	779.00	Telephone conference with A. Barnett and A. Wilkinson regarding lending relationship and related matters (1.5); analyze potential claims (.4)
07/09/04	A. Wilkinson	5.80	1,160.00	Review additional documents produced by Debtors pursuant to Committee's document and interrogatory requests (5.2); conference with M. Fisco regarding investigation and discussions with counsel regarding same (.6)
07/09/04	S. Carlson	2.60	390.00	Prepare fee summary
07/09/04	M. Fisco	1.00	410.00	Review and analyze potential claims against Lenders (.4); conference with A. Wilkinson regarding same (.6)
7/12/04	M. Fisco	1.20	492.00	Review documents from Debtors and meet with A. Wilkinson regarding potential claims
07/12/04	A. Wilkinson	3.50	700.00	Review and draft summary of documents produced by Lenders and Debtors pursuant to Committee discovery requests (3.0); conference with M. Fisco regarding same (.5)
07/13/04	A. Wilkinson	4.60	920.00	Prepare for and attend telephone conference with Lenders' and Debtors' counsel regarding settlement discussions (1.0); review documents produced by Debtors in response to Committee's document requests (1.2); review documents received from A. Barnett (1.8); conference with M. Fisco regarding same (.6)
07/13/04	M. Fisco	1.50	615.00	Conferences with A. Wilkinson regarding potential claims (.6); telephone conferences with Lenders' counsel regarding settlement matters (.9)
07/14/04	D. Wegler	.40	60.00	Conference with A. Wilkinson regarding review of latest document production (CD) from A. Barnett (.1); review documents (.3)

August 16, 2004

Page 8

7/14/04	A. Wilkinson	.30	60.00	Review documents received from A. Barnett (.2); conference with D. Wegler regarding same (.1)
07/14/04	S. Mertz	.10	35.50	Analyze issues regarding possible settlement of claims against the Lenders
07/15/04	M. Fisco	.80	328.00	Telephone conferences with counsel for the Lenders regarding settlement
07/20/04	A. Wilkinson	1.00	200.00	Review and revise settlement agreement and motion for approval of same
07/23/04	A. Wilkinson	.50	100.00	Review revised settlement agreement (.2); telephone conference with A. Barnett regarding same (.1); telephone conferences with C. Lenhart regarding same (.2)
07/26/04	M. Fisco	.20	82.00	Telephone conference with T. Lallier regarding settlement and final closing statement
	Total 008	78.20	\$18,588.50	

Total Hours 121.60

SERVICES: \$29,693.50

DISBURSEMENTS:

Telecommunication Costs	.77
External Telephone/Telecopy	69.42
Lexis Research	64.00
Online Docket Search	17.64
Internal Copying/Printing	272.40

TOTAL DISBURSEMENTS: \$424.23

TOTAL: \$30,117.73  
=====

SUMMARY

M. Fisco	Partner	30.60	hours at	\$410.00	=	\$12,546.00
M. Stewart	Partner	.20	hours at	\$410.00	=	\$82.00
S. Mertz	Partner	.10	hours at	\$355.00	=	\$35.50
A. Wilkinson	Associate	47.80	hours at	\$200.00	=	\$9,560.00
J. Loushin	Associate	16.30	hours at	\$220.00	=	\$3,586.00
D. Wegler	Paralegal	6.50	hours at	\$150.00	=	\$975.00
J. Carlson	Paralegal	14.80	hours at	\$150.00	=	\$2,220.00
R. Hetland	Summer Assoc	5.30	hours at	\$130.00	=	\$689.00
		-----				-----
TOTAL		121.60				\$29,693.50

**SCHEDULE II**

**EXPENSES**

<b><u>EXPENSES</u></b>	<b><u>AMOUNT</u></b>
Telecommunication Costs	\$4.83
Lexis/Westlaw On Line Research	\$239.51
Internal Copying/Printing	\$549.15
External Telephone/Telecopy	\$353.48
MN Sec of State Filing Fee	\$4.00
<b>Total Expenses</b>	<b>\$1,150.97</b>

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

---

In re:

DISTRIBUTION DYNAMICS, INC.,  
DISTRIBUTION DYNAMICS HOLDINGS, INC.,  
PRO FASTENERS,  
NORTHWESTERN COMPANY,  
RAINBOW FASTENER COMPANY,

Debtors.

Bky. No. 04-32489

Chapter 11  
Jointly Administered

---

**VERIFICATION**

STATE OF MINNESOTA

)

) ss:

COUNTY OF HENNEPIN

)

Michael B. Fisco, after being duly sworn according to law, deposes and says:

1. I am a partner of Faegre & Benson LLP and have been duly authorized to complete this verification.

2. I, or others under my direction, have personally performed professional services rendered by Faegre & Benson LLP, as counsel to the Official Committee of Unsecured Creditors ("Committee") and am thoroughly familiar with the work performed on behalf of the Committee by the professionals in the firm.

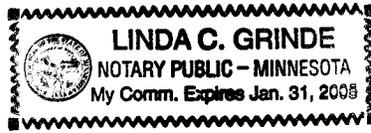
3. I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed the Local Bankruptcy Rules, and submit that the Application substantially complies with such rules.

  
Michael B. Fisco

Subscribed and sworn to before me  
this 28<sup>th</sup> day of September, 2004.

  
Notary Public

M1:1140765.02



**UNSWORN CERTIFICATE OF SERVICE**

I, James D. H. Loushin, declare under penalty of perjury that on September 28, 2004, I caused to be served copies of the **Notice of Hearing and First Application for Interim Compensation for Services Rendered and Reimbursement of Expenses as Counsel to the Official Committee of Unsecured Creditors for the Period from April 28, 2004 through July 31, 2004, Proposed Order, and this Unsworn Certificate of Service** by U.S. mail to each entity listed on the attached Service List.

Executed on: September 28, 2004

Signed:                   /e/ James D. H. Loushin                  

James D. H. Loushin  
Faegre & Benson LLP  
2200 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402

**SERVICE LIST**  
**Distribution Dynamics, Inc.**  
**Bky. No. 04-32489**

Distribution Dynamics Inc.  
c/o Dominic Polimeni, CEO  
6450 Carlson Drive  
Eden Prairie MN 55346

Securities And Exchange Commission  
Bankruptcy Section  
175 W Jackson Blvd., Suite 900  
Chicago IL 60604

Mark J. Kalla  
Chris Lenhart  
Dorsey & Whitney LLP  
50 S 6th St., Suite 1500  
Minneapolis MN 55402-1498

Heller Financial Inc  
c/o Thomas J. Lallier  
Foley & Mansfield, P.L.L.P.  
250 Marquette Ave., Suite 1200  
Minneapolis MN 55401

US Trustee  
1015 US Courthouse  
300 South Fourth Street  
Minneapolis MN 55415

Textron Inc  
c/o Richard D Anderson  
Briggs And Morgan  
2200 IDS Center  
80 S 8th St  
Minneapolis MN 55402

US Attorney  
600 US Courthouse  
300 South Fourth Street  
Minneapolis MN 55415

Stephen H Braccini  
135 Rosebud Lane  
Georgetown TX 78628 4377

MN Dept Of Revenue  
Collection Enforcement  
551 Bankruptcy Section  
PO Box 64447  
St Paul MN 55164

Cinde A Braccini  
135 Rosebud Lane  
Georgetown TX 78628 4377

Internal Revenue Service  
Special Procedures Branch  
316 N Robert St., Stop 5700  
St Paul MN 55101

Andrew Torgrove  
Stairway Capital  
1044 Northern Blvd Ste 106  
Roslyn, NY 11576

IRS Office Of Chief Counsel  
650 Galtier Plaza  
380 Jackson St.  
St Paul MN 55101

Bob Baker  
First Source Financial, Inc.  
2850 West Golf Road, 5<sup>th</sup> Floor  
Rolling Meadows, IL 60008

John Sullivan  
McDermitt, Will & Emery  
50 Rockefeller Plaza  
New York, NY 10020

Peter Fishman, Steven J. Spencer,  
Luke, Beltinck  
Houlihan, Lokey, Howard & Zukin  
Citicorp Center  
One Sansome Street, 17<sup>th</sup> Floor  
San Francisco, CA 94104

George Hawley  
Heidee Feldstein  
Paul, Hastings, Janofsky & Walker  
515 W. Flower Street, 25<sup>th</sup> Floor  
Los Angeles, CA 90071

Sarah J. Wencil  
300 South 4<sup>th</sup> Street Room 1015  
1015 U.S. Courthouse  
Minneapolis, MN 55415

Eisner LLP  
750 Third Ave  
New York, NY 10017-2703

Microsoft Corp and Microsoft Licensing  
c/o John R. Knapp, Jr.  
Cairncross & Hempelmann, P.S.  
524 2<sup>nd</sup> Avenue Ste 500  
Seattle, WA 98104-2323

Stairway Capital Management  
c/o James A. Lodoen  
Lindquist & Vennum P.L.L.P.  
4200 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402

Phillip Robbins  
ING Capital Advisors, Inc.  
125 Hight Street, 28<sup>th</sup> Floor  
Boston, MA 02109

Pasha Moghaddam  
Spring Street Capital  
9025 Wilshire Blvd, Ste 301  
Beverly Hills, CA 90211

Richard Sebastiao  
RAS Management Advisors  
599 Ocean Avenue  
Newport, RI 02840

CenterPoint Realty Services Corporation  
c/o Michael Weininger, Esq.  
Weinberg Richmond LLP  
333 West Wacker Dr., Ste 1800  
Chicago, IL 60606

Heller Financial, Inc.  
c/o Carl T. Anderson  
Hydee R. Feldstein  
Paul, Hastings, Janofsky & Walker, LLP  
515 South Flower St, 25<sup>th</sup> Floor  
Los Angeles, CA 90071-2228

King & Spalding LLP  
Attn: Barry N. Seidel, Esq.  
1185 Avenue of the Americas  
New York, NY 10036-4003

Michael W. Malter, Esq.  
Julie H. Rome-Banks, Esq.  
Binder & Malter LLP  
2775 Park Avenue  
Santa Clara, CA 95050

William J. Fisher, Esq.  
Gray, Plant, Mooty, Mooty & Bennett  
500 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402

Captive Fastener Corporation  
c/o David H. Stein  
Duane Morris LLP  
744 Broad Street, Ste 1200  
Newark, NJ 07102

Hodell-Natco Industries, Inc.  
c/o Phillip Bohl  
Gray, Plant, Mooty, Mooty & Bennett  
500 IDS Center  
80 South 8<sup>th</sup> Street  
Minneapolis, MN 55402

PFI, LLC dba Vertex Fasteners  
c/o David A. Orenstein, Esq.  
Parsinen, Kaplan, Rosberg & Gotlieb  
100 South 5<sup>th</sup> Street, Ste 1100  
Minneapolis, MN 55402

Partners Commerical Realty LP  
Attn: John Ferruzzo  
4299 San Felipe Ste 200  
Houston, TX 77027

Koch National Lease  
PO Box 581189  
Minneapolis, MN 55485-7915

Board of Equalization  
PO Box 942879  
Sacramento, CA 94279-8053

Missouri Department of Revenue  
Bankruptcy Unit  
Attn: Steven A. Ginther  
PO Box 475  
Jefferson City, MO 65105-0475

ProLogis  
c/o Robert D. Nachman  
Schwartz, Cooper, Greenberger & Krauss  
180 N. LaSalle Street, Ste 2700  
Chicago, IL 60601

IKON Financial Services  
Bankruptcy Administration  
IOS Capital, LLC  
1738 Bass Road  
PO Box 13708  
Macon, GA 31208-3708

Tennessee Department of Revenue  
c/o TN Attorney General's Office  
Bankruptcy Division  
PO Box 20207  
Nashville, TN 37202-0207

GE Capital/Heller Financial, Inc.  
500 W. Monroe St.  
Chicago, IL 60661

Standard Horse Nail  
PO Box 316  
New Brighton, PA 15066

American Express Travel Related Services  
c/o Becket and Lee LLP  
PO Box 3001  
Malvern, PA 19355-0701

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

---

In re:

DISTRIBUTION DYNAMICS, INC.,  
DISTRIBUTION DYNAMICS HOLDINGS, INC.,  
PRO FASTENERS,  
NORTHWESTERN COMPANY,  
RAINBOW FASTENER COMPANY,

Debtors.

Bky. No. 04-32489

Chapter 11  
Jointly Administered

---

**ORDER**

---

This matter came on for hearing on October 25, 2004, on the First Application for Interim Compensation and Reimbursement of Expenses for Services Rendered (“Application”) of Faegre & Benson LLP as Counsel for the Official Committee of Unsecured Creditors. The Court has jurisdiction over the Application pursuant to 28 U.S.C. §§ 157 and 1334. Notice of the Application was adequate and either no objections were filed or any objections were resolved or overruled by the Court. Based on the motion, file, record and proceedings herein:

**IT IS HEREBY ORDERED THAT:**

1. The Application is granted in its entirety;
2. Faegre & Benson LLP is allowed compensation for its professional fees for the period from April 28, 2004 through July 31, 2004 in the amount of \$142,506.50;
3. Faegre & Benson LLP is allowed compensation for costs and expenses for the same period in the amount of \$1,150.97; and

4. The Debtors are authorized to pay Faegre & Benson LLP \$28,501.30 in fees, representing the twenty-percent (20%) holdback of fees as required by the May 10, 2004 Order.

Dated: \_\_\_\_\_, 2004

\_\_\_\_\_  
Dennis D. O'Brien  
United States Bankruptcy Judge

M1:1139344.07