

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

In re:)	
)	Chapter 11 Cases
MUZAK HOLDINGS LLC, <u>et al.</u> , ¹)	Case No. 09-10422 (KJC)
)	Jointly Administered
Debtors.)	
)	

**NOTICE OF INTERIM FEE APPLICATION REQUEST OF
FTI CONSULTING, INC., FINANCIAL ADVISOR
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
FOR INTERIM ALLOWANCE OF COMPENSATION AND
FOR REIMBURSEMENT OF EXPENSES FOR SERVICES
RENDERED DURING THE PERIOD FROM
FEBRUARY 24, 2009 THROUGH MAY 31, 2009**

Name of Applicant: FTI Consulting, Inc.

Authorized to Provide
Professional Services to: Official Committee of Unsecured Creditors

Date of Retention: April 15, 2009 (*nunc pro tunc* to February 24, 2009)

Period for which Compensation
and Reimbursement is sought: February 24, 2009 through May 31, 2009

Amount of Compensation sought as
actual, reasonable, and necessary: \$397,321.43

Amount of Expense Reimbursement sought
as actual, reasonable, and necessary: \$7,952.25

This is FTI Consulting's first interim fee application request (the "First Interim Fee Application Request").²

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are: Muzak Holdings LLC (3730); Muzak Holdings Finance Corp. (3728); Muzak LLC (3729); Background Music Broadcasters, Inc. (3014); Muzak Capital Corporation (2302); MLP Environmental Music, LLC (6098); Business Sound, Inc. (9525); BI Acquisition, LLC (6049); Muzak Finance Corp. (7963); Electro-Systems Corporation (6059); Audio Environments, Inc. (4111); Telephone Audio Productions, Inc. (4894); Vortex Sound Communications Company, Inc. (3711); Muzak Houston, Inc. (9984); and Music Incorporated (3710). The location of the Debtors' corporate headquarters and the service address for all the Debtors is: 3318 Lakemont Boulevard, Fort Mill, South Carolina 29708.

² Notice of this First Interim Fee Application Request (and supporting documentation) will be provided to the Fee Review Committee pursuant to the Court's Order Establishing a Fee Review Committee and Approving Protocols Related Thereto (Docket No. 346).

**CUMULATIVE SUMMARY OF INTERIM APPLICATIONS OF
FTI CONSULTING, INC. FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES AS FINANCIAL ADVISOR
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR THE
PERIOD FROM FEBRUARY 24, 2009 THROUGH MAY 31, 2009**

Fee App./ Period Covered/ Filing Date/ Docket No.	Fees Requested	Expenses Requested	Cert. of No Obj Filed/ Docket No.	80% Fees	100% Expenses	Amount of Holdback Owed to Applicant
1 st Interim Application (2/24/09 – 3/31/09) Filed: 4/24/09 Docket No. 257	\$147,321.43	\$6,634.12	Filed: 5/15/09 Docket No. 292	\$117,857.14	\$6,634.12	\$29,464.29
2 nd Interim Application (4/1/09 – 4/30/09) Filed: 5/22/09 Docket No. 299	\$125,000.00	\$766.90	Filed: 6/16/09 Docket No.342	\$100,000.00	\$766.90	\$25,000.00
3 rd Interim Application (5/1/09 – 5/31/09) Filed: 6/24/09 Docket No. 369	\$125,000.00	\$551.23	Filed: 7/14/09 Docket No.389	\$100,000.00	\$551.23	\$25,000.00
TOTAL	\$397,321.43	\$7,952.25		\$317,857.14	\$7,952.25	\$79,464.29

Pursuant to the Amended Order Authorizing the Debtors to Establish Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Statutory Committee Members (Docket No. 252) (the “Interim Compensation Order”), the Applicant hereby requests approval and allowance of compensation for professional services rendered and reimbursement of expenses incurred and sought during the first, second and third periods for February 24, 2009 through and including May 31, 2009 (the “First Interim Fee Request Period”). Pursuant to the Interim Compensation Order, the Debtors were authorized to pay certain professionals, including the Applicant, 80% of fees and 100% of expenses incurred on a monthly basis. During the First Interim Fee Request Period, the Applicant incurred \$397,321.43 for professional fees and \$7,952.25 in expenses. As of the date of this First Interim Fee Application


Request, Applicant is owed \$279,464.29 in fees and \$1,318.13 in expenses. The First, Second and Third Monthly Applications are attached hereto as Exhibits A, B and C, respectively.

PLEASE TAKE NOTICE that, objections, if any, to the First Interim Fee Application Request must be filed with the Court and served on the Applicant at the address set forth below and the Notice Parties (as defined in the Interim Compensation Order) so as to be received by August 3, 2009 at 4:00 p.m. (ET). If no timely objections are filed to the First Interim Fee Application Request, the Court may enter an order granting the First Interim Fee Application Request without a hearing. If any timely objections are received to the First Interim Fee Application Request, a hearing will be held before the Honorable Kevin J. Carey, Chief Judge, United States Bankruptcy Court for the District of Delaware, 624 North Market Street, Wilmington, Delaware 19801, at a time and date to be determined.

Dated: July 15, 2009

FTI CONSULTING, INC.

By: _____


Steven Simms
Senior Managing Director
Financial Advisor for the Official
Committee of Unsecured
Creditors of Muzak Holdings LLC., et al.
3 Times Square
New York, New York 10036
212-841-9369

*Financial Advisor to the Official Committee of
Unsecured Creditors*

**SUMMARY OF PROFESSIONAL HOURS DURING THE PERIOD
FEBRUARY 24, 2009 THROUGH MAY 31, 2009**

<u>Professional</u>	<u>Position</u>	<u>Hours</u>
Simms, Steven	Senior Managing Director	90.5
Spragg, Mark C	Senior Managing Director	91.8
Star, Samuel	Senior Managing Director	0.4
Garber, Steven	Managing Director	0.5
Greenberg, Mark	Managing Director	18.5
Korsower, Joshua	Director	337.4
Laber, Mark	Director	436.7
Farber, Arnold	Senior Consultant	8.5
Korsman, Lynn	Senior Consultant	0.6
Singh, Amandeep	Senior Consultant	27.1
Heller, Justin	Consultant	122.8
Kream, Benjamin	Consultant	5.0
Yang, Victor	Consultant	14.0
Goldberg, Kristina	Associate	1.5
Johnston, Cheryl	Administrative	11.2
Pearson, Linda	Administrative	0.8
Total		<hr/> 1,167.3

SUMMARY OF HOURS BY PROJECT CATEGORY
FEBRUARY 24, 2009 THROUGH MAY 31, 2009

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
1	Current Operating Results & Events	38.8
2	Cash & Liquidity Analysis	68.6
3	Financing Matters (DIP, Exit, Other)	27.2
5	Real Estate Issues	0.4
7	Analysis of Business Plan	433.9
9	Analysis of Employee Compensation Program	104.9
10	Analysis of Tax Issues	9.3
12	Analysis of SOFAs & SOALs	1.2
13	Analysis of Other Miscellaneous Motions	15.5
14	Analysis of Claims/Liab Subject to Compro	0.7
16	Analysis, Negotiate & Form of POR & DS	155.1
18	Potential Avoidance Actions & Litigation	17.5
19	Case Management.	28.6
20	General Meetings with Debtor and Debtors' Professionals	46.1
21	General Meetings with UCC and UCC Counsel	70.5
22	Meetings with Other Parties	14.3
23	Firm Retention	37.6
24	Preparation of Fee Application	29.2
25	Travel Time	13
30	Prepare Miscellaneous Financial Analysis	34.1
31	Analyze and Assess Comp. Environment	1.4
32	Analyze and Assess Merger Partners	7.9
33	Analyze and Assess Customer Profitability	2.1
34	Analyse and Review Franchise Agreements	4.9
35	Analyze and Review Licensing Contracts	4.5
		<hr/> 1,167.3

SUMMARY OF EXPENSES BY CATEGORY
FEBRUARY 24, 2009 THROUGH MAY 31, 2009

<u>Expense Category</u>	<u>Expenses</u>
Airfare	\$ 4,902.85
Lodging	1,071.94
Meals	927.49
Other	137.39
Transportation	912.58
Total	\$ 7,952.25
