

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

-----X  
In Re: ) Chapter 11  
)  
MUZAK HOLDINGS LLC, et al.,<sup>1</sup> ) Case No. 09-10422 (KJC)  
)  
) Jointly Administered  
-----X

**COVER SHEET FOR TENTH MONTHLY APPLICATION OF FTI CONSULTING, INC FOR  
ALLOWANCE OF COMPENSATION  
FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES AS  
FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
FOR THE PERIOD FROM DECEMBER 1, 2009 THROUGH DECEMBER 31, 2009**

Name of Applicant: FTI Consulting, Inc

Authorized to Provide Services to: Official Committee of Unsecured Creditors

Date of Retention: Retention order entered April 16, 2009  
Effective as of February 24, 2009

Period for which Compensation/  
Reimbursement is Sought: December 1, 2009 through December 31, 2009

Compensation Sought as Actual,  
Reasonable and Necessary: \$ 93,548.39

Expense Reimbursement Sought as  
Actual, Reasonable and Necessary: \$ 116.04

This is a: X monthly \_\_\_ final application

Prior Fee Applications Filed by Applicant: 9

<sup>1</sup> The Debtors in these chapter 11 case, 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.

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

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

**TENTH MONTHLY APPLICATION OF FTI CONSULTING, INC FOR  
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES AS FINANCIAL ADVISOR TO THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS  
FOR THE PERIOD FROM DECEMBER 1, 2009 THROUGH DECEMBER 31, 2009**

The Application (the "Application") of FTI Consulting, Inc., (the "Applicant," or "FTI"), as financial advisor to the Official Committee of Unsecured Creditors (the "Committee") of Muzak Holdings LLC., et al. (the "Debtors"), respectfully represents and alleges:

**I. INTRODUCTION**

1. Applicant, as financial advisor to the Committee, makes this Tenth Application for payment of professional services rendered and expenses incurred in its representation of the Committee as provided under Sections 1103(a) and 328(a) of Title 11 of the United States Code (the "Bankruptcy Code"), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 2014-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the "Local Rules").

2. This Application is submitted pursuant to the terms of the Amended Order Authorizing the Debtors to Establish Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Statutory Committee Members entered on April 24, 2009 (the "Administrative Fee Order"). Pursuant to the Administrative Fee Order, FTI is seeking payment

of \$93,548.39 of fees and \$116.04 for reimbursement of expenses. According to FTI's terms of retention, FTI will seek payment for compensation on a fixed monthly basis of \$125,000.00 per month for the first six months, \$100,000.00 per month for the next four months, and \$75,000.00 per month thereafter. In accordance with FTI's terms of retention, FTI seeks payment of \$93,548.39 in fees, which assumes 23 days at a monthly fee of \$100,000.00 (\$74,193.55) and 8 days at a monthly fee of \$75,000.00 (\$19,354.84), resulting in \$93,548.39 in fees. These services were rendered, and disbursements recorded, from December 1, 2009 through December 31, 2009, both dates inclusive (the "Tenth Monthly Period").

## **II. BACKGROUND**

3. On February 10, 2009 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Court").

4. On February 12, 2009, the Court entered an order jointly administering these cases pursuant to Bankruptcy Rule 1015(b) for procedural purposes only. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases nor has any request for appointment of a trustee or examiner been made.

5. On February 20, 2009, pursuant to section 1102 of the Bankruptcy Code, the Office of the United States Trustee for the District of Delaware appointed the Committee. The Committee currently consists of seven members.<sup>2</sup> On February 20, 2009, pursuant to

---

<sup>2</sup> The Committee is comprised of the following entities: Bronwen M. DuKate; MFC Global Investment Management; Wells Fargo Bank, N.A., as Trustee; U.S. Bank National Association, as Trustee; HSBC Bank USA, National Association, as Trustee; Dish Network; and Monarch Alternative Capital.

section 1103(a) of the Bankruptcy Code, the Committee selected Akin Gump Strauss Hauer & Feld LLP to serve as co-counsel to the Committee, and on February 24, 2009, the Committee selected FTI as its financial advisor.

### **III. JURISDICTION AND VENUE**

6. This Court has jurisdiction over the Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory bases for the relief requested herein are sections 1103 and 328(a) of the Bankruptcy Code and Bankruptcy Rule 2014.

### **IV. PROFESSIONAL SERVICES RENDERED**

7. In accordance with Local Rule 2014-1 and the Administrative Fee Order, and to assist the Court, the Debtors, the United States Trustee and other parties in interest in evaluating this Application for compensation, the primary services performed by Applicant during the Tenth Monthly Period are summarized in the Summary attached hereto as Exhibit "B". The Summary reflects certain services of major importance which required the special attention, efforts and skill of Applicant. Applicant's services throughout the Tenth Monthly Period have enhanced the Committee's understanding of many issues critical to these cases. Furthermore, Applicant's efforts have enabled the Committee to act in an informed, efficient manner, actively participate in these cases and significantly assist in the maximization of value to the estates.

8. In accordance with FTI's retention order, a summary sheet of the professionals and the number of hours incurred by each during the Tenth Monthly Period is annexed hereto as Exhibit "C". A summary sheet which includes identification of services

performed by the professionals, categorized by Applicant into “task codes” in order to group related time entries in a certain subject area, is annexed hereto as Exhibit “D”.

9. In accordance with FTI’s retention order, a summary which includes identification of Applicant’s disbursements, necessarily incurred in the performance of Applicant’s duties as financial advisor to the Committee, is annexed hereto as Exhibit “E”, with a more detailed summary annexed hereto as Exhibit “F”.

10. Applicant has worked closely with the Debtors’ financial advisors, the other case professionals and the Committee to avoid unnecessary duplication of services charged to the Debtors’ estates.

#### **V. CONCLUSION**

11. Applicant has necessarily and properly expended 110.0 hours of services in performance of its duties as financial advisor to the Committee during the Tenth Monthly Period. Applicant respectfully requests a monthly fee allowance for professional services rendered in the amount of \$93,548.39. Pursuant to the Compensation Procedures Order, Applicant requests that, upon the expiration of the applicable objection period, the Debtors remit to the Applicant eighty (80%) percent of the fees, or \$74,838.71. Applicant has also necessarily incurred disbursements in the amount of \$116.04 in the performance of Applicant’s duties as financial advisor to the Committee during the Tenth Monthly Period. Applicant respectfully requests reimbursement of disbursements in the sum of \$116.04.

12. As stated in the Affidavit of Steven Simms, annexed hereto as Exhibit “A”, Applicant has not agreed to share any compensation to be received herein with any other

person.

WHEREFORE, Applicant respectfully requests a Tenth monthly award of compensation for professional services rendered as financial advisor to the Committee during the Tenth Monthly Period in the sum of \$93,548.39, together with reimbursement of disbursements in the amount of \$116.04; and for such other and further relief as this Court deems just and proper.

Dated: New York, New York  
January 20, 2010

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

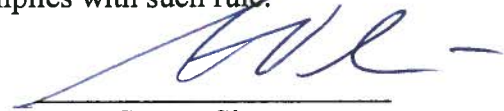
**EXHIBIT**

**“A”**

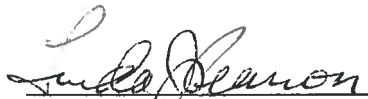


3. In accordance with Bankruptcy Rule 2016(a) and section 504 of the Bankruptcy Code, no agreement or understanding exists between the Applicant and any other person for the sharing of compensation to be received in connection with these cases.

4. I have reviewed the requirements of Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware and submit that the Application substantially complies with such rule.

  
Steven Simms

Sworn to before me this  
20th day of, January 2010

  
Notary Public

LINDA J. PEARSON  
NOTARY PUBLIC, STATE OF NEW YORK  
No. 01PES110512  
QUALIFIED IN QUEENS COUNTY  
MY COMMISSION EXPIRES MAY 24, 2012

Invoice No. 7222145 should be referenced when making payment. Check and wire transfer instructions are as follows:

**By Check Remit to:**  
FTI Restructuring  
PO Box 631916  
Baltimore, MD 21263-1916

**By Wire Transfer Remit to:**  
ABA # 026009593  
Bank of America  
FTI Consulting, Inc.  
Account #003939577164  
Tax ID #22-3026953  
RE: Invoice: 7222145  
Project No. 420549.0001

**EXHIBIT**

**“B”**

**FTI CONSULTING, INC**  
**FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF**  
**UNSECURED CREDITORS OF MUZAK HOLDINGS LLC., ET AL.**

**SUMMARY OF PRINCIPAL SERVICES BY TASK CODES PERFORMED FOR THE**  
**PERIOD FROM DECEMBER 1, 2009 THROUGH AND INCLUDING DECEMBER 31,**  
**2009**

The following is not intended to be a complete statement of all professional services rendered, but serves only to list certain of the services of major task codes rendered by FTI during the Tenth Monthly Period.

**Task Code 1 – Current Operating Results & Events (37.1 hours)**

During the Tenth Monthly Period, FTI reviewed and analyzed the Company's monthly operating results. FTI analyzed variances to the budget with respect to EBITDAR and trending of the Company's key performance indicators, including revenue, costs and billing base. Time in this task code includes calls with the Debtors and Debtors' advisors in order to understand the drivers behind variances from EBITDAR budget. FTI prepared reports for the Committee summarizing such results and variances.

**Task Code 2 – Cash & Liquidity Analysis (12.6 hours)**

During the Tenth Monthly Period, FTI reviewed and analyzed the Company's weekly cash flow reports, analyzed variances to the budget, and monitored for compliance with the cash collateral order. In addition, FTI reviewed and analyzed the Company's expected cash upon emergence. Time in this task code includes weekly calls with the Debtors and Debtors' advisors in order to understand the drivers behind weekly variances from budget.

**Task Code 16 – Analysis, Negotiate & Form of POR & DS (32.7 hours)**

During the Tenth Monthly Period, FTI reviewed and analyzed documents related to the Plan of Reorganization, including the warrant agreement, the employee-related agreements, the reorganized Muzak LLC agreement, and other Plan supplements. Time in this task code includes multiple calls with Counsel regarding the plan documents. FTI shared its observations with Counsel and the Committee.

**EXHIBIT**

**“C”**

**MUZAK HOLDINGS LLC, et al., CASE NO. 09-10422(KJC)**  
**SUMMARY OF HOURS AND FEES BY PROFESSIONAL**  
**FOR THE PERIOD DECEMBER 1, 2009 THROUGH DECEMBER 31, 2009**  
**INVOICE #7222145**

<b>Professional</b>	<b>Position</b>	<b>Total Hours</b>
Simms, Steven	Senior Managing Director	37.1
Laber, Mark	Director	11.9
Heller, Justin	Consultant	39.4
Chen, Iris	Consultant	16.9
Johnston, Bonnie	Paraprofessional	3.9
Hellmund-Mora, Marili	Paraprofessional	0.8
	<b>TOTAL</b>	<b>110.0</b>

**EXHIBIT**

**“D”**

**MUZAK HOLDINGS LLC, et al., CASE NO. 09-10422(KJC)**  
**SUMMARY OF FEES BY TASK**  
**FOR THE PERIOD DECEMBER 1, 2009 THROUGH DECEMBER 31, 2009**  
**INVOICE #7222145**

<b>Task Code</b>	<b>Description</b>	<b>Total Hours</b>
1	Current Operating Results & Events	37.1
2	Cash & Liquidity Analysis	12.6
3	Financing Matters (DIP, Exit, Other)	8.1
11	Prepare for and Attend Court Hearings	0
16	Analysis, Negotiate & Form of POR & DS	32.7
17	Wind Down Monitoring	0
20	General Meetings with Debtor and Debtors' Professionals	0.6
21	General Meetings with UCC and UCC Counsel	3.9
22	Meetings with Other Parties	1.3
24	Preparation of Fee Application	13.7
<b>TOTAL</b>		<b>110.0</b>

**EXHIBIT**

**“E”**

**MUZAK HOLDINGS, LLC, CASE NO. 09-10422**  
**SUMMARY OF EXPENSES BY CATEGORY**  
**FOR THE PERIOD DECEMBER 1, 2009 THROUGH DECEMBER 31, 2009**  
**INVOICE #7222145**

<b>Expense Category</b>	<b>Expenses</b>
Meals	\$ 108.34
Transportation	7.70
<b>Grand Total</b>	<b>\$ 116.04</b>

**EXHIBIT**

**“F”**

**MUZAK HOLDINGS LLC, et al., CASE NO. 09-10422(KJC)**  
**DETAIL OF EXPENSES BY CATEGORY**  
**FOR THE PERIOD DECEMBER 1, 2009 THROUGH DECEMBER 31, 2009**  
**INVOICE #7222145**

<b>Date</b>	<b>Professional</b>	<b>Description</b>	<b>Amount</b>
12/1/2009	Chen, Iris	Working meal.	\$ 30.46
12/8/2009	Chen, Iris	Working meal.	27.58
12/9/2009	Heller, Justin	Working meal.	21.65
12/15/2009	Chen, Iris	Working meal.	28.65
<b>Meals Total</b>			<b>\$ 108.34</b>
11/10/2009	Chen, Iris	Taxi - FTI office to residence.	\$ 7.70
<b>Transportation Total</b>			<b>\$ 7.70</b>
<b>Grand Total</b>			<b>\$ 116.04</b>

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

**In re:**

**MUZAK HOLDINGS LLC, et al.,<sup>1</sup>**

**Debtors.**

Chapter 11

Case No. 09-10422 (KJC)

Jointly Administered

Objection Deadline: February 9, 2010 at 4:00 p.m.  
Hearing Date: Only if Objections are Timely Filed.

**NOTICE OF MOTION**

PLEASE TAKE NOTICE, that on January 20, 2010, the Official Committee of Unsecured Creditors (the “Committee”) filed the following Application for Compensation (the “Application”). The Application is submitted 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).

*Tenth Monthly Application of FTI Consulting, Inc. for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Financial Advisors to the Official Committee Of Unsecured Creditors for the Period From December 1, 2009 Through December 31, 2009.*

PLEASE ALSO TAKE NOTICE, that you are required to file a response to the Application on or before February 9, 2010 at 4:00 p.m. At the same time, you must also serve a copy of the response upon the following:

---

<sup>1</sup> 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.

Michael F. Zendan, II, Esq. Muzak Holdings LLC 3318 Lakemont Blvd. Fort Mill, South Carolina 29708,	Joshua A. Sussberg Kirkland & Ellis LLP 153 East 53 <sup>rd</sup> Street New York, New York, 10022
Domenic Pacitti Michael Yurkewicz Klehr, Harrison, Harvey, Branzburg & Ellers LLP 919 Market Street, Suite 1000, Wilmington, Delaware 19801,	James R. Savin, Esq. David M. Dunn, Esq. Akin Gump Strauss Hauer & Feld LLP Robert S. Strauss Building 1333 New Hampshire Avenue, N.W. Washington, DC 20036-1564
Eric Lopez Schnabel, Esq. Robert W. Mallard, Esq. DORSEY & WHITNEY (DELAWARE) LLP 1105 North Market Street, Suite 1600 Wilmington, DE 19801	David Klauder Office of the United States Trustee 844 King Street, Suite 2207 Lockbox 35 Wilmington, DE 19801
Andrew J. Gallo Bingham McCutchen LLP One Federal Street Boston, MA 02110-1726	

PLEASE ALSO TAKE NOTICE, THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF DEMANDED BY THE APPLICATIONS WITHOUT FURTHER NOTICE OR HEARING.

Dated: January 20, 2010

By: /s/ Robert W. Mallard  
Robert W. Mallard (No. 4279)  
DORSEY & WHITNEY (DELAWARE) LLP  
1105 North Market Street; Suite 1600  
Wilmington, DE 19801

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

**In re:**

**MUZAK HOLDINGS LLC, et al.,**

**Debtors.**

Chapter 11

Case No. 09-10422 (KJC)

Jointly Administered

**CERTIFICATE OF SERVICE**

I, Robert W. Mallard, Esq., hereby certify that on the 20<sup>th</sup> of January, 2010, I caused the following documents to be served on the parties on the attached service list via first class mail.

1. *Tenth Monthly Application of FTI Consulting, Inc. for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Financial Advisors to the Official Committee Of Unsecured Creditors for the Period From December 1, 2009 Through December 31, 2009.*

2. *Notice of Motion.*

Dated: January 20, 2010

By: /s/ Robert W. Mallard  
Robert W. Mallard (No. 3672)  
DORSEY & WHITNEY (DELAWARE) LLP  
1105 North Market Street; Suite 1600  
Wilmington, DE 19801

**Service List**

Michael F. Zendan, II, Esq. Muzak Holdings LLC 3318 Lakemont Blvd. Fort Mill, South Carolina 29708,	Joshua A. Sussberg Kirkland & Ellis LLP 153 East 53 <sup>rd</sup> Street New York, New York, 10022
Domenic Pacitti Michael Yurkewicz Klehr, Harrison, Harvey, Branzburg & Ellers LLP 919 Market Street, Suite 1000, Wilmington, Delaware 19801,	James R. Savin, Esq. David M. Dunn, Esq. Akin Gump Strauss Hauer & Feld LLP Robert S. Strauss Building 1333 New Hampshire Avenue, N.W. Washington, DC 20036-1564
Eric Lopez Schnabel, Esq. Robert W. Mallard, Esq. DORSEY & WHITNEY (DELAWARE) LLP 1105 North Market Street, Suite 1600 Wilmington, DE 19801	David Klauder Office of the United States Trustee 844 King Street, Suite 2207 Lockbox 35 Wilmington, DE 19801
Andrew J. Gallo Bingham McCutchen LLP One Federal Street Boston, MA 02110-1726	