# National Century Financial Enterprises, Inc.

## Thirteen Week Projected Cash Flow

(from 1/10/03 to 4/4/03)

Updated: January 8, 2003

Compiled By: Alvarez & Marsal, Inc.

# Assumptions:

1. A Ch. 11 filing for NCFE and all of its affiliates was filed on Monday, November 18, 2002
2. Operations are projected to continue at the headcount levels of 12/18/02; no further reduction-in-force has been modeled, however further reductions are likely, in step with downsizing/reduced activity levels.
3. The payroll figures incorporate the impact of a preliminary Key Employee Retention Plan ("KERP"), the details of which are attached as Exhibit A. The consensual KERP was filed with the court on Dec. 11 and was heard and approved on Dec. 19.
4. Since the KERP was filed, headcount has dropped to 89 employees as of 1/6/03. Projected salary disbursements are based on the KERP filing which included 95 employees. The cash impact of the departure of 6 employees is minimal and the debtors may seek to reallocate any unused KERP funds to enhance incentives to select high performers.
5. Restructuring professional fees are assumed to be paid monthly, 45 days after the end of the month. It is assumed that there is a 20% holdback on fees. A&M has been retained under s363 and hence is not subject to the fee application process. This was achieved by each A&M employee being appointed an officer via a mechanism known as the Jay Alix Protocol. The payment of A&M fees and expenses has been assumed 15 days after month end. A&M intends to provide a detail of its billings to the noteholders and the unsecured creditors' committee prior to payment.
6. Estimated creditors' professional fees and expenses of $4.5M (essentially accrued through 12/15/02) plus accrued fees and expenses of $0.7M for Houlihan Lokey (through 1/8/03) have been projected paid in the week ended 1/17/03.
7. Assumes no receipts for postpetition program activity. There are a number of providers that continue to utilize the company's lockbox, servicing and financing. It has been assumed that these potential revenue streams do not yield postpetition cash receipts.
8. The miscellaneous / contingency expense forecast of $50K per week is comprised largely of a contingency since projected miscellaneous expenses approximate only $7K per week.
9. The deficit projected in the week ended 1/17/03 of $7.2M is due principally to the payment of restructuring professional fees and expenses. This deficit is assumed to be funded by a transfer from the restricted SPV lockbox funds currently frozen by Huntington Bank. Use of these funds by the debtors is governed by the terms of a cash collateral motion & order to be heard on 1/9/03. Use of such cash collateral is anticipated to be granted on an interim basis through 2/1/03.

# Opportunities

| | Item | Amount | Timing | Comments |
|---|---|---|---|---|
| Proceeds | | | | |
| 1 | Plain City Land Sale | $200K | Feb. 2003 | The company signed a sales contract pre-petition on a tract of land in Plain City, OH. Motion t approve sale was filed on 1/3/02 and to be heard on 1/29/03. |
| 2 | Litigation Receipts | | | |
| | - L.A. Litigation | TBD | TBD | Settlement proceeds - tort and contract claims stemming from lack of payment on worker's compensation claims with the State Compensation Insurance Fund (SCIF). |
| | - Nurses Station (N.Y.) | TBD | TBD | Attempting to collect money due and outstanding from payors on receivables purchased by NCFE. |
| | - Medical Management (Delaware) | TBD | TBD | Attempting to collect money due and outstanding from payors on receivables purchased by NCFE. |
| | - Fresenius Litigation Settlement | $500K | TBD | Settlement proposed in litigation with NMC/Fresenius. |
| 3 | Headquarters Real Estate | | | Currently marketing all eight NCFE headquarters buildings. |
| | - Buildings under contract (4) | $700K | Feb. 2003 | Motion to approve sale of buildings under contract was filed on 1/3/02 and to be heard on 1/29/03. Contracts in place on four buildings with sales consideration totaling $1.7M. Expect to clear approximately $0.7M, net of required mortgage pay-down and sales commission. |
| | - Remaining buildings (4) | $2.5-3.0M | Feb. - Apr. 2003 | Anticipated gross sales proceeds of approximately $3.0-3.5M . Remaining mortgage amount o approximately $0.5M. |
| 4 | Other Asset Sales | TBD | TBD | Awaiting court approval to proceed with asset sales. Currently collecting / evaluating offers on: furniture and equipment from vacated buildings, artwork, aircraft spares, vehicles and other assets. |
| 5 | Federal Tax Refund | TBD | Q1 2003 | Currently interviewing tax advisors to pursue refund claim. |
| 6 | Franchise Tax Refund | $51K | Jan. 2003 | CSL Corporate Franchise Tax Refund. |
| 7 | State Income Tax Refund | TBD | TBD | Currently interviewing tax advisors to pursue refund claim. |
| 8 | Postpetition Program Fees | TBD | TBD | Represents fees earned by the company; both the amount of accrued fees and the ultimate collectability remain uncertain and will be better quantified only when a full review of each of the providers' collateral and financial position has been completed. |
| 9 | Insurance Refunds | | | Proceeds from refunds on pre-paid insurance premiums. |
| | - Aircraft #1 | $49K | Jan. 2003 | Refund on insurance for aircraft that was sold. |
| | - Aircraft #2 | TBD | TBD | Refund on insurance from leased aircraft. Awaiting release of lien. |
| | - Other policies | TBD | TBD | Possible refunds on property, D&O, and other insurance. |

# Risks / Unbudgeted Items

1. Risk of critical employee defections due to failure to adequately stabilize and incent workforce.
2. Disruptive impact of regulatory investigations.
3. Funding mechanism uncertainty until the CCO approved, thereby creating employee and provider anxiety as to company's ability to continue to operate.
4. Creditor committee and creditor professional fees have been projected through Dec. 15, 2002, culminating in cash payments on Jan. 15, 2003.
   Only those fees of the debtor's professionals and the fees of the creditors committee professionals have been accrued and projected to be paid beyond the payments made on Jan. 15, 2003.
5. Provider transfers pursuant to valid CCO's. Projection currently includes cash outflow for DCHC only ($3,249K) on 1/17/03.

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## Cash Flow Reconciliation to Previous Version (Dated 12/19/02)

| | Projected Balance [a] | |
|---|---|---|
| | At Feb. 14, 2003 | At Mar. 14, 2003 |
| **Per Cash Flow dated 12/19/02** | $ (9,946,963) | $ (11,656,961) |
| **Add:** | | |
| Actualization of three weeks ended 1/3/03 [b] | 268,609 | 268,609 |
| CSL Franchise Tax refund on 12/27 (not budgeted) | 51,491 | 51,491 |
| Actualization of A&M billings through 12/31/02 | 344,230 | 344,230 |
| Removal of payment to Ropes & Gray (Creditor Professionals) | 182,000 | 182,000 |
| All Other - Misc. | 8,483 | 8,483 |
| **Less:** | | |
| Retainers for Ballard Spahr | (500,000) | (500,000) |
| Retainers for Committee Advisors | (300,000) | (300,000) |
| Retained creditor professional fees (Ballard Spahr) | (140,000) | (140,000) |
| AmEx retainer approved on 1/7/03 | (300,000) | (300,000) |
| Actualization of Houlihan Lokey fees through 1/8/03 (to be paid on 1/17/03) | (358,094) | (358,094) |
| Inclusion of estimated M.R. Weiser accrual (to be paid on 1/17/03) | (25,000) | (25,000) |
| Increased projection for A&M fees (1/10/03 - 1/31/03) | - | (65,000) |
| **Net Change** | (768,281) | (833,281) |
| **Per Cash Flow dated: January 8, 2003** | $ (10,715,244) | $ (12,490,242) |

[a] Before transfer of lockbox funds.
[b] Excluding CSL Franchise Tax Refund on 12/27.

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## Cash Flow Reconciliation (1/8/03) to Cash Flow Version (Dated 1/6/03)

| | Projected Balance [a] | |
|---|---|---|
| | At Feb. 14, 2003 | At Apr. 4, 2003 |
| **Per Cash Flow dated 1/6/03** | $ (10,242,150) | $ (16,403,008) |
| **Add:** | | |
| Holdback of 20% on creditor fees paid out post-1/17/03 | 35,000 | 205,000 |
| Correction of Ballard Spahr fees included in 1/17/03 accrual payout | 175,000 | 175,000 |
| Correction of A&M fees 2/7 - 2/28 | - | 70,000 |
| **Less:** | | |
| AmEx retainer approved on 1/7/03 | (300,000) | (300,000) |
| Actualization of Houlihan Lokey fees through 1/8/03 (to be paid on 1/17/03) | (358,094) | (358,094) |
| Inclusion of estimated M.R. Weiser accrual (to be paid on 1/17/03) | (25,000) | (25,000) |
| **Net Change** | (473,094) | (233,094) |
| **Per Cash Flow dated: January 8, 2003** | $ (10,715,244) | $ (16,636,102) |

**[a]** Before transfer of lockbox funds.

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**National Century Financial Enterprises, Inc.**
**Thirteen Week Cash Flow Forecast**
**Last Updated on:**
**January 8, 2003**

(Amounts in $)

| | Actual | | | Projected | | | | | | | | | | | | | 13 Week Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Week Ending: | 12/20/02 | 12/27/02 | 1/3/03 | 1/10/03 | 1/17/03 | 1/24/03 | 1/31/03 | 2/7/03 | 2/14/03 | 2/21/03 | 2/28/03 | 3/7/03 | 3/14/03 | 3/21/03 | 3/28/03 | 4/4/03 | |
| **(1) Operating Cash Inflows** | | | | | | | | | | | | | | | | | |
| A/R Receipts (Net) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Lease/Other | 1,148 | 8,158 | - | 10,142 | - | - | - | 10,342 | - | - | - | - | - | - | - | - | 20,484 |
| Total Operating Cash Inflows | 2,148 | 5,158 | - | 10,142 | - | - | - | 10,342 | - | - | - | - | - | - | - | - | 20,484 |
| **Operating Cash Outflows** | | | | | | | | | | | | | | | | | |
| [1] Payroll | 8,258 | 251,473 | - | 285,841 | - | 270,258 | - | 658,992 | - | 270,258 | - | 285,841 | - | 270,304 | - | 285,848 | 2,317,379 |
| [2] Lease | - | - | - | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 850,000 |
| [4] Service Services | 17,875 | 387 | 29,385 | 19,100 | 19,100 | 19,100 | 19,100 | 19,100 | 19,100 | 19,100 | 19,100 | 19,100 | 19,100 | 19,100 | 19,100 | 19,100 | 348,300 |
| [3] Miscellaneous / Contingency | 28,311 | - | 843 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 850,000 |
| Total Cash Outflows from Ops. | 54,043 | 251,858 | 27,028 | 384,941 | 119,100 | 339,358 | 119,100 | 878,091 | 119,100 | 339,358 | 119,100 | 384,941 | 119,100 | 339,404 | 119,100 | 384,948 | 3,865,679 |
| Net Operating Cash Flow | (51,895) | (246,702) | (27,028) | (374,799) | (119,100) | (339,358) | (119,100) | (867,751) | (119,100) | (339,358) | (119,100) | (384,941) | (119,100) | (339,404) | (119,100) | (384,948) | (3,844,995) |
| **Non-Operating In/(Outflows** | | | | | | | | | | | | | | | | | |
| [5] Asset Sales | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [6] Other Non-Operating Cash Inflows | 387 | 119,478 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [8,7] Reversal/Net Fees and Exp | - | - | - | (500,000) | (7,587,358) | - | - | - | (1,838,167) | (812,500) | - | - | - | (3,302,367) | - | - | (14,135,193) |
| Total Non-Oper. In/Outflows | 387 | 119,478 | - | (500,000) | (7,587,358) | - | - | - | (1,838,167) | (812,500) | - | - | - | (3,302,367) | - | - | (14,135,193) |
| TOTAL NET CASH FLOW | (51,528) | (127,223) | (27,028) | (874,599) | (7,701,258) | (339,358) | (119,100) | (867,751) | (1,957,267) | (1,151,858) | (119,100) | (384,941) | (119,100) | (3,641,771) | (119,100) | (384,948) | (17,980,188) |
| Beginning Cash Balance (a) | $ 1,540,867 | $ 1,488,338 | $ 1,371,115 | $ 1,344,087 | $ 469,488 | $ - | $ - | $ - | $ - | $ 1,644,582 | $ (7,588,438) | $ (7,815,530) | $ (8,300,470) | $ (3,418,578) | $ (7,081,350) | $ (7,180,450) | $ (7,565,438) |
| Net Cash Flow Above | (51,528) | (127,223) | (27,028) | (874,599) | (7,701,258) | (339,358) | (119,100) | (867,751) | (3,057,267) | (1,151,858) | (119,100) | (384,941) | (119,100) | (3,641,771) | (119,100) | (384,948) | (17,980,188) |
| Transfer from Lockbox Funds | - | - | - | - | 7,231,770 | 339,358 | 119,100 | 867,751 | 412,685 | - | - | - | - | - | - | - | 9,370,663 |
| Ending Cash Balance | 1,488,338 | 1,371,115 | 1,344,087 | 469,488 | - | - | - | - | 1,644,582 | (7,588,438) | (7,815,530) | (8,300,470) | (3,418,578) | (7,081,350) | (7,180,450) | (7,565,438) | (8,610,663) |
| Ending Balance without Lockbox Funds | 1,488,338 | 1,371,115 | 1,344,087 | 469,488 | (7,231,770) | (7,571,127) | (7,690,227) | (8,557,977) | (10,715,244) | (11,867,101) | (11,986,201) | (12,371,142) | (17,490,742) | (16,122,013) | (16,291,113) | (16,836,102) | (16,836,107) |
| **(B) Unrestricted Non-SPV Non-Operating Cash:** | | | | | | | | | | | | | | | | | |
| National City Bank Special (d) | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 | 243,805 |
| **(C) Restricted Non-SPV Cash:** | | | | | | | | | | | | | | | | | |
| NPF II | 352,370 | 310,867 | 315,878 | 315,878 | 315,878 | 315,878 | 315,878 | 315,878 | 315,878 | 315,878 | 315,878 | 315,878 | 315,878 | 315,878 | 315,878 | 315,878 | 315,878 |
| Other (e) | (270,738) | (270,374) | (270,374) | (270,374) | (270,374) | (270,374) | (270,374) | (270,374) | (270,374) | (270,374) | (270,374) | (270,374) | (270,374) | (270,374) | (270,374) | (270,374) | (270,374) |
| Total | $ (18,418) | $ 40,513 | $ 45,504 | $ 45,504 | $ 45,504 | $ 45,504 | $ 45,504 | $ 45,504 | $ 45,504 | $ 45,504 | $ 45,504 | $ 45,504 | $ 45,504 | $ 45,504 | $ 45,504 | $ 45,504 | 45,504 |
| **(D) Restricted SPV Cash:** | | | | | | | | | | | | | | | | | |
| **Restricted Trust Cash: (b)** | | | | | | | | | | | | | | | | | |
| NPF VI | $ 136,195,087 | $ 136,321,080 | $ 136,575,208 | $ 136,575,208 | $ 136,575,208 | $ 136,575,208 | $ 136,575,208 | $ 136,575,208 | $ 136,575,208 | $ 136,575,208 | $ 136,575,208 | $ 136,575,208 | $ 136,575,208 | $ 136,575,208 | $ 136,575,208 | $ 136,575,208 | 136,575,208 |
| NPF XII | 53,243,885 | 53,321,080 | 53,318,728 | 53,318,728 | 53,318,728 | 53,318,728 | 53,318,728 | 53,318,728 | 53,318,728 | 53,318,728 | 53,318,728 | 53,318,728 | 53,318,728 | 53,318,728 | 53,318,728 | 53,318,728 | 53,318,728 |
| Total | $ 189,438,972 | $ 189,642,160 | $ 189,893,934 | $ 189,893,934 | $ 189,893,934 | $ 189,893,934 | $ 189,893,934 | $ 189,893,934 | $ 189,893,934 | $ 189,893,934 | $ 189,893,934 | $ 189,893,934 | $ 189,893,934 | $ 189,893,934 | $ 189,893,934 | $ 189,893,934 | 189,893,934 |
| **Restricted Participation Lockbox Receipts, Net: (c)** | | | | | | | | | | | | | | | | | |
| Opening Balance - NPF VI and XII | $ 9,479,658 | $ 11,920,838 | $ 12,677,335 | $ 12,320,510 | $ 12,320,510 | $ 1,638,882 | $ 1,499,536 | $ 1,380,436 | $ 412,685 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | 9,479,658 |
| NPF VI Receipts, Net | 870,873 | 391,080 | (789,677) | | | | | | | | | | | | | | 771,305 |
| NPF XII Receipts, Net | 1,770,008 | 380,406 | 437,852 | | | | | | | | | | | | | | 2,588,266 |
| Provider Transfers pursuant to CCOTs (f) | | | | | (3,249,848) | | | | | | | | | | | | (3,249,848) |
| Transfer to Operating Account | - | - | - | - | (7,231,770) | (339,358) | (119,100) | (867,751) | (412,685) | | | | | | | | (9,370,663) |
| Ending Balance | $ 11,920,838 | $ 12,677,335 | $ 12,320,510 | $ 12,320,510 | $ 1,638,882 | $ 1,499,536 | $ 1,380,436 | $ 412,685 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | - |

(a) - Represents non-restricted cash balances at accounts of NCFE entities and affiliates. Cash balances remain at other NCFE affiliates but are currently restricted in both the SPV and non-SPV entities
(b) - Total represents balances in Collection, Purchase, Credit Reserve, Offset Reserve and Equity accounts
No future collections have been projected due to uncertainty of receipt (provider bankruptcies, lift stays and diversion). See (f) for details
(c) - Includes overdraft balances in Huntington Payroll account, resulting from Huntington excess grace in honoring payroll tax presentation
(d) - Proceeds from Pilgrim Manor litigation settlement ($800K total) being deposited in National City Special account, and segregated from Operating account - $200K initial amount plus $50K due month over next six months (Ultimate beneficiaries TBD later
(e) - Represents receipts frozen in Huntington lockbox accounts, net of fees, payments to Trust suppliers and debits by processors
(f) - Represents DCHC projected transfers only

## [1] - Cash Inflows

| | Actual | | | Projected | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 12/20/02 | 12/27/02 | 1/3/03 | 1/10/03 | 1/17/03 | 1/24/03 | 1/31/03 | 2/7/03 | 2/14/03 | 2/21/03 | 2/28/03 | 3/7/03 | 3/14/03 | 3/21/03 | 3/28/2003 | 4/4/2003 |
| **Operating Cash Inflows** | | | | | | | | | | | | | | | | |
| A/R Receipts (Net) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Leases / Other | | | | | | | | | | | | | | | | |
| Lease Payments [b] | | | | | | | | | | | | | | | | |
| Purcell & Scott | - | - | - | 4,841 | - | - | - | 4,841 | - | - | - | - | - | - | - | - |
| Minfield Eyecare | | | - | 2,750 | | | | 2,750 | | | | | | | | |
| Meeder | | | - | 2,751 | | | | 2,751 | | | | | | | | |
| Interest Income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| COBRA Payments | | 1,787 | - | | | | | | | | | | | | | |
| Other Misc. Income | 2,148 | 3,371 | - | | | | | | | | | | | | | |
| Total Leases / Other | 2,148 | 5,158 | - | 10,342 | - | - | - | 10,342 | - | - | - | - | - | - | - | - |
| **Total Operating Cash Inflows** | $ 2,148 | $ 5,158 | $ - | $ 10,342 | $ - | $ - | $ - | $ 10,342 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Non-Operating Cash Inflows** | | | | | | | | | | | | | | | | |
| Asset sales | | | | | | | | | | | | | | | | |
| Aircraft | | | | | | | | | | | | | | | | |
| Real Estate | | | | | | | | | | | | | | | | |
| Other assets | | | | | | | | | | | | | | | | |
| Total Asset Sales | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Other Non-Operating | | | | | | | | | | | | | | | | |
| Legal Settlements | | | | | | | | | | | | | | | | |
| Tax Refunds | | | | | | | | | | | | | | | | |
| Federal | | | | | | | | | | | | | | | | |
| State [a] | | 51,491 | | | | | | | | | | | | | | |
| Loan Repayments | | | | | | | | | | | | | | | | |
| Other Non-Op Inflows [c] | 367 | 67,987 | | | | | | | | | | | | | | |
| Total Other Non-Operating | 367 | 119,478 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Non-Operating Cash Inflows** | $ 367 | $ 119,478 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Total Cash Inflows** | $ 2,514 | $ 124,638 | $ - | $ 10,342 | $ - | $ - | $ - | $ 10,342 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

[a] - CSL franchise tax refund of $51,491.
[b] - Assumes lease payments end after February payments, to coincide with potential sale of property. Currently marketing all eight NCFE headquarters buildings. Contracts in place on four buildings totaling $1.7M. Mortgage amount on entire complex of $1.4M.
[c] - Deposit in week of 12/27 represents Jones Day refund of preparation fees paid in early November (deposited on 12/24).

## [2] - Payroll

| | | | Actual | | | Projected | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 12/20/02 | 12/27/02 | 1/3/03 | 1/10/03 | 1/17/03 | 1/24/03 | 1/31/03 | 2/7/03 | 2/14/03 | 2/21/03 | 2/28/03 | 3/7/03 | 3/14/03 | 3/21/03 | 3/28/03 |
| | Severance | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| | Vacation Payout | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (a) | Salaries (Gross) & KERP | | - | 228,550 | - | 204,604 | - | 204,604 | - | 755,604 | - | 204,604 | - | 204,604 | - | 204,604 | - |
| (b) | Payroll Taxes (Co. Portion) | 7.65% | 1,031 | 13,002 | - | 15,652 | - | 15,652 | - | 57,804 | - | 15,652 | - | 15,652 | - | 15,700 | - |
| (c) | Fringe Benefits | 10.80% | 8,225 | 9,921 | - | 45,585 | | | | 45,585 | | | | 45,585 | | | |
| | Total Payroll | | $ 9,256 | $ 251,472 | $ - | $ 265,841 | $ - | $ 220,256 | $ - | $ 858,992 | $ - | $ 220,256 | $ - | $ 265,841 | $ - | $ 220,304 | $ - |
| (a) | Salaries & KERP | | | | | | | | | | | | | | | | |
| | Salaries (f) | | | $ 203,449 | | $ 204,604 | | $ 204,604 | | $ 204,604 | | $ 204,604 | | $ 204,604 | | $ 204,604 | |
| | Salary Catch-up (d) | | | 25,101 | | | | | | | | | | | | | |
| | KERP Retention (e) | | | | | | | | | 551,000 | | | | | | | |
| | Total Salaries & KERP | | $ - | $ 228,550 | $ - | $ 204,604 | $ - | $ 204,604 | $ - | $ 755,604 | $ - | $ 204,604 | $ - | $ 204,604 | $ - | $ 204,604 | $ - |

(b) 7.65% represents company's projected share of FICA and Medicare taxes.

(c) Fringe benefits (principally health insurance) estimated at 10.8% of payroll, paid monthly.

(d) Salary catch-up on 12/27/02 payroll resulted from approval of KERP.

(e) Represents payment of the quarterly retention incentive for the employees listed in the confirmed KERP.

(f) Salary forecast for post-12/27/02 payroll includes the salary enhancements for certain employees confirmed in the KERP.

## [3] - Legal

| | Actual | | | Projected | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 12/20/02 | 12/27/02 | 1/3/03 | 1/10/03 | 1/17/03 | 1/24/03 | 1/31/03 | 2/7/03 | 2/14/03 | 2/21/03 | 2/28/03 | 3/7/03 | 3/14/03 | 3/21/03 | 3/28/03 | 4/4/03 |
| **Local Counsel** | | | | | | | | | | | | | | | | |
| Purcell & Scott [b] | $ - | $ - | $ - | $ 2,000 | $ 2,000 | $ 2,000 | $ 2,000 | $ 2,000 | $ 2,000 | $ 2,000 | $ 2,000 | $ 2,000 | $ 2,000 | 2,000 | 2,000 | 2,000 |
| Other [a] | - | - | - | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 |
| **Total Fees** | $ - | $ - | $ - | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 |

[a] These fees are projected to be paid to various legal firms attending CCO hearings nationwide and retained in the ordinary course of business.
[b] Administrative and regulatory support only.

## [4] - Sundry Services

| | | Actual | | | Projected | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 12/20/02 | 12/27/02 | 1/3/03 | 1/10/03 | 1/17/03 | 1/24/03 | 1/31/03 | 2/7/03 | 2/14/03 | 2/21/03 | 2/28/03 | 3/7/03 | 3/14/03 | 3/21/03 | 3/28/03 | 4/ |
| (a) | Facilities / Utilities | $ 8,293 | $ - | $ 21,104 | $ 6,800 | $ 6,800 | $ 6,800 | $ 6,800 | $ 6,800 | $ 6,800 | $ 6,800 | $ 6,800 | $ 6,800 | $ 6,800 | $ 6,800 | $ 6,800 | $ |
| (b) | Outside Services | 3,737 | 387 | 3,701 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1 300 | |
| (c) | Consultants | 1,125 | - | 1,500 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | |
| (d) | Travel | 4,720 | - | 61 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | |
| (e) | Vehicles & Insurance | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | Total | $ 17,875 | $ 387 | $ 26,365 | $ 19,100 | $ 19,100 | $ 19,100 | $ 19,100 | $ 19,100 | $ 19,100 | $ 19,100 | $ 19,100 | $ 19,100 | $ 19,100 | $ 19,100 | $ 19,100 | $ |

(a) Includes utilities, building repairs & maintenance, building supplies, janitorial, telephone, and offsite storage.

(b) Includes ADP and Iron Mountain offsite tape backup.

(c) Includes critical independent contractors for systems and provider support.

(d) Includes minimal travel to support ongoing operations, offsite coordination and provider collateral/financial audits.

(e) All policies pre-paid through June 2003.

## [5] - Miscellaneous / Contingency

| | Actual | | | Projected | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 12/20/02 | 12/27/02 | 1/3/03 | 1/10/03 | 1/17/03 | 1/24/03 | 1/31/03 | 2/7/03 | 2/14/03 | 2/21/03 | 2/28/03 | 3/7/03 | 3/14/03 | 3/21/03 | 3/28/03 | 4/4/03 |
| (a) Courier Services & Postage | $ 6,165 | $ - | $ 663 | $ 2,438 | $ 2,438 | $ 2,438 | $ 2,438 | $ 2,438 | $ 2,438 | $ 2,438 | $ 2,438 | $ 2,438 | $ 2,438 | $ 2,438 | $ 2,438 | $ 2,438 |
| (b) Equipment & Maintenance | - | - | - | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 |
| (c) Office Supplies | 1,005 | - | - | 2,308 | 2,308 | 2,308 | 2,308 | 2,308 | 2,308 | 2,308 | 2,308 | 2,308 | 2,308 | 2,308 | 2,308 | 2,308 |
| (d) IOS Copier Leases | - | - | - | 923 | 923 | 923 | 923 | 923 | 923 | 923 | 923 | 923 | 923 | 923 | 923 | 923 |
| (e) Bank Service & Wire Fees | - | - | - | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| (f) Contingency | 19,741 | - | - | 43,601 | 43,601 | 43,601 | 43,601 | 43,601 | 43,601 | 43,601 | 43,601 | 43,601 | 43,601 | 43,601 | 43,601 | 43,601 |
| Total | $ 26,911 | $ - | $ 663 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 |

(a) Adjusted to reflect approximate current run rate.

(b) All software and hardware maintenance wil be resolved on a per incident basis. Run rate forecast to be $1,000/month.

(c) Minimal level to support ongoing operations.

(d) Estimated copier lease - currently in process of renegotiating.

(e) Assumes some minimal level of wires, fees.

(f) Contingency for miscellaneous payments. Of the $19,741 on 12/20, $18,743 represents physician payments for ASI affiliate.

## [B] - Retained Restructuring Professional Fees and Expenses - Debtor

| Firm | Role | Thirst of MCFE |
|---|---|---|
| Akerman & Mensal | Client Management | CEO, CFO, COO |
| James Day | Counsel | |
| Logan & Co | Claims/Noticing Agent | |
| Bricker & Eckler | Debtor Special Counsel | |
| Amos Healthcare CRB | MCFE Financial Advisor | COO of MCFE |

| ABM [s 363] | |
|---|---|
| Fees Payout % | 100% |
| Expense Payout % | 100% |
| 45 Day Payment Terms | |

| All Other Professionals | |
|---|---|
| Fees Payout % | 80% |
| Expense Payout % | 100% |
| 45 Day Payment Terms | |

| Week Ending: | 11/8/02 | 11/15/02 | 11/22/02 | 11/29/02 | 12/6/02 | 12/13/02 | 12/20/02 | 12/27/02 | 1/3/03 | 1/10/03 | 1/17/03 | 1/24/03 | 1/31/03 | 2/7/03 | 2/14/03 | 2/21/03 | 3/7/03 | 3/14/03 | 3/21/03 | 3/28/03 | 4/4/03 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Estimated [b] | | | | | | | | Projected | | | | | | | | | | | |
| **Akerman & Mensal [c]** | | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | $ - | $ 142,589 | $ 285,178 | $ 471,708 | $ 657,219 | $ 843,270 | $ 843,270 | $ 930,770 | $ 1,112,020 | $ 1,112,020 | $ 950,000 | $ 831,250 | $ 812,500 | $ 950,750 | $ 1,109,000 | $ 844,750 | $ 583,000 | $ 717,750 | $ 881,500 | $ 604,750 |
| Fees (est) | 174,747 | 133,000 | 131,000 | 174,311 | 174,311 | 174,311 | - | 77,500 | 181,250 | 181,250 | 181,250 | 181,250 | 139,250 | 178,250 | 178,250 | 178,250 | 114,750 | 114,750 | 114,750 | 114,750 | 114,750 |
| Expenses (est) | | 8,883 | 8,883 | 11,770 | 11,770 | 11,770 | - | 11,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Retainer | 925,253 | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | (1,200,000) | | | | | | | | | (943,270) | | | | | | (831,500) | | | | (597,000) | |
| Accrued Fees (Cumulative) | - | 142,589 | 285,178 | 471,708 | 657,219 | 843,270 | 843,270 | 930,770 | 1,112,020 | 150,000 | 831,250 | 812,500 | 950,750 | 1,109,000 | 844,750 | 381,000 | 717,750 | 881,500 | 604,250 | 139,000 | |
| **James Day** | | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | $ (200,000) | $ 200,000 | $ 600,000 | $ 1,000,000 | $ 1,400,000 | $ 1,800,000 | $ 2,066,667 | $ 2,333,333 | $ 2,733,333 | $ 3,133,333 | $ 3,533,333 | $ 3,933,333 | $ 3,933,333 | $ 3,933,333 | $ 3,933,333 | $ 3,933,667 | $ 3,933,667 | $ 3,933,667 | $ 3,933,667 | $ 3,933,667 |
| Fees (est) | 500,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 | 260,000 | 260,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 |
| Expenses (est) | | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 6,667 | 6,667 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Retainer 750,000 | 750,000 | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | (1,450,000) | | | | | | | | | (644,000) | | | | | | (1,180,667) | | | | (1,797,667) | |
| Accrued Fees (Cumulative) | (200,000) | 200,000 | 600,000 | 1,000,000 | 1,400,000 | 1,800,000 | 2,066,667 | 2,333,333 | 2,733,333 | 2,399,333 | 2,669,333 | 2,989,333 | 3,289,333 | 3,408,667 | 2,708,667 | 3,008,667 | 3,308,667 | 3,606,667 | 2,546,000 | 2,946,000 |
| **Logan & Co.** | | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | $ - | $ 75,000 | $ 50,000 | $ 75,000 | $ 100,000 | $ 125,000 | $ 150,000 | $ 175,000 | $ 200,000 | $ 184,000 | $ 209,000 | $ 234,000 | $ 259,000 | $ 207,000 | $ 227,000 | $ 252,000 | $ 177,000 | $ 202,000 | $ 124,500 | |
| Fees (est) | | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 |
| Expenses (est) | | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Retainer | 80,000 | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | (50,000) | | | | | | | | | (41,000) | | | | | | (82,000) | | | | (102,500) | |
| Accrued Fees (Cumulative) | - | 25,000 | 50,000 | 75,000 | 100,000 | 125,000 | 150,000 | 175,000 | 200,000 | 184,000 | 209,000 | 234,000 | 259,000 | 207,000 | 227,000 | 252,000 | 177,000 | 202,000 | 124,500 | 149,500 | |
| **Bricker & Eckler** | | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | $ - | $ 50,000 | $ 100,000 | $ 150,000 | $ 200,000 | $ 250,000 | $ 300,000 | $ 350,000 | $ 400,000 | $ 368,000 | $ 418,000 | $ 468,000 | $ 518,000 | $ 407,000 | $ 457,000 | $ 507,000 | $ 557,000 | $ 607,000 | $ 454,500 | |
| Fees (est) | | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 |
| Expenses (est) | | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Retainer | 125,000 | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | (125,000) | | | | | | | | | (81,000) | | | | | | (102,000) | | | | (207,000) | |
| Accrued Fees (Cumulative) | - | 50,000 | 100,000 | 150,000 | 200,000 | 250,000 | 300,000 | 350,000 | 400,000 | 368,000 | 418,000 | 468,000 | 518,000 | 407,000 | 457,000 | 507,000 | 557,000 | 607,000 | 454,500 | 504,500 | |
| **Amos Healthcare CRB [d]** | | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | $ 300,000 | $ 422,283 | $ 510,118 | $ 564,118 | $ 598,118 | $ 643,118 | $ 695,618 | $ 995,618 | $ 1,130,618 | $ 811,874 | $ 934,324 | $ 1,056,824 | $ 1,130,824 | $ 849,324 | $ 937,324 | $ 1,012,324 | $ 1,086,324 | $ 1,161,324 | $ 802,874 | |
| Fees (est) | | 110,783 | 80,958 | 130,000 | 130,000 | 130,000 | 70,000 | 70,500 | 130,000 | 130,000 | 110,000 | 110,000 | 74,000 | 74,000 | 74,000 | 74,000 | 74,000 | 74,000 | 74,000 | 74,000 | 74,000 |
| Expenses (est) | | 11,500 | 7,000 | 14,000 | 14,000 | 14,000 | 3,500 | 3,500 | 14,000 | 14,000 | 12,500 | 12,500 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| Retainer | 300,000 | | | | | | | | | | | | | | | | | | | | |
| Cash Paid [e] | | | | | | | | | | (471,794) | | | | | | (373,500) | | | | (481,700) | |
| Accrued Fees (Cumulative) | 300,000 | 422,283 | 510,118 | 564,118 | 598,118 | 643,118 | 695,618 | 995,618 | 1,130,618 | 811,824 | 934,324 | 1,056,824 | 1,130,824 | 849,324 | 937,324 | 1,012,324 | 1,086,324 | 1,161,324 | 802,874 | 847,874 | |
| **Total - Debtor Firms** | | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | - | $ 100,000 | $ 839,957 | $ 1,545,298 | $ 2,360,327 | $ 3,155,337 | $ 3,890,388 | $ 4,325,555 | $ 4,784,721 | $ 5,564,871 | $ 4,704,157 | $ 4,882,807 | $ 5,561,857 | $ 6,107,907 | $ 4,875,980 | $ 4,799,740 | $ 5,375,990 | $ 5,866,740 | $ 6,561,490 | $ 4,931,874 | $ 5,124,874 |
| Fees [e] | 774,747 | 704,488 | 814,361 | 764,311 | 764,311 | 764,311 | 350,000 | 434,000 | 751,250 | 851,250 | 831,250 | 831,250 | 682,250 | 582,250 | 887,250 | 881,250 | 548,750 | 548,750 | 548,750 | 548,750 | 548,750 |
| Expenses | - | 35,483 | 30,883 | 40,170 | 40,170 | 40,170 | 15,167 | 23,167 | 49,000 | 49,000 | 47,500 | 47,500 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 |
| Retainer 750,000 | 2,150,253 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash Paid | (2,825,000) | - | - | - | - | - | - | - | - | (2,081,064) | - | - | - | - | (1,788,181) | (81,500) | - | - | - | (2,021,867) | - |
| Accrued Fees (Cumulative) | 100,000 | 839,957 | 1,545,298 | 2,350,327 | 3,155,337 | 3,890,388 | 4,325,555 | 4,784,721 | 5,564,871 | 4,704,157 | 4,882,807 | 5,561,857 | 6,107,907 | 4,875,980 | 4,799,740 | 5,375,990 | 5,866,740 | 6,561,490 | 4,931,874 | 5,124,874 | |

[a] - Amos Healthcare fees are included in this total, were not included in 13-week version.
[b] - Estimates for actual expenses. Actual professional fees to be updated upon receipt of invoices.
[c] - See Schedule [a] for detail on ABM fees by professional, including engagement roll. Note: Actuals for period 11/18-12/27 of $843,270 of allocated weekly cost [ ] results in Nov and "effectiveness" [ ] results in Dec.
[d] - See Schedule [d] for detail on Amos fees by professional, including engagement roll.
See [7] for a detailed listing of employee's professionals, their recognition rates and related fees.
[e] - 3/7/03 payment includes payout of the $300,000 retainer in addition to Prepetition fees.

(c) - A&M Fee Estimate

| | Week Ended | | | | | |
|---|---|---|---|---|---|---|
| | 11/15/2002 | 11/22 - 12/20 | 12/27 - 1/3/03 | 1/10 - 1/31 | 2/7 - 2/28 | 3/7 - 4/4 |
| Estimated Average Hours Billed | | 75 | | 55 | 50 | 50 |

| Consultant | Position | Hourly | Actual/Est. | Weekly | Weekly | Weekly [b] | Weekly | Weekly | Role (*) | Assume End Da |
|---|---|---|---|---|---|---|---|---|---|---|
| David Coles | Managing Director | $550 | $ 56,025 | $ 41,250 | $ 15,125 | $ 30,250 | $ 27,500 | $ 27,500 | CEO/CRO | - |
| Peter Driggs | Managing Director | 550 | 47,025 | 41,250 | 15,125 | 27,500 | 22,000 | 22,000 | COO NCFE, CRO NPFS, NPF VI, NPF XII | - |
| Ira Genser | Sr Director | 450 | 46,350 | 33,750 | 12,375 | 24,750 | 22,500 | 18,000 | CFO | - |
| Mark Russell | Sr. Associate | 350 | 35,350 | 26,250 | 9,625 | 19,250 | - | - | Treasury/Asset Sales | 1/31 |
| Jim Dubow | Sr. Associate | 350 | 32,900 | 26,250 | 9,625 | 19,250 | 17,500 | 17,500 | Credit Analysis | - |
| Jonathan Tibus | Sr. Associate | 350 | 2,800 | | - | - | - | | | - |
| Ron Winters | Sr. Director | 475 | | | | 23,750 | 23,750 | 23,750 | | - |
| Luke Lonergan | Associate | 300 | 23,250 | 22,500 | 8,250 | 16,500 | 15,000 | 8,000 | Case Administration / Credit Analysis | 3/15 |
| | | | $ 245,700 | $ 191,250 | $ 70,125 | $ 161,250 | $ 128,250 | $ 114,750 | | |
| Expenses [a] | | | 29,047 | 20,000 | 17,000 | 20,000 | 20,000 | 20,000 | | |
| Fees and Expenses | | | 274,747 | 211,250 | 87,125 | 181,250 | 148,250 | 134,750 | | |
| Rounded | | | | $ 220,000 | $ 87,500 | $ 181,250 | $ 148,250 | $ 134,750 | | |

[a] Includes $8,500 of fees in Week 1 relating to A&M's counsel regarding retention/engagement issues
(*) See Exhibit B for client assignment schedule for due diligence teams.

[d] AmEx TBS Fee Estimate

| | | | Week Ended | | | |
|---|---|---|---|---|---|---|
| | | | 12/6-12/20, 1/10-1/17 | 1/24 - 1/31 | 2/7 –> | |
| | Estimated Average Hours Billed | | 50-60 | 50-60 | 50 | |
| **Consultant** | **Position** | **Hourly** | **Weekly [a]** | **Weekly** | **Weekly** | **Role (*)** |
| Mike Lane | Director | $425 | $25,500 | $25,500 | $21,250 | COO NPFS / Chairman of Credit Co |
| John Pollard | Sr. Manager | 375 | 20,626 | - | - | Credit Analysis and Due Diligence |
| Greg Alexander | Sr. Manager | 375 | 18,750 | 18,750 | - | Credit Analysis and Due Diligence |
| Kate Pearson | Sr. Manager | 300 | 15,000 | 15,000 | 15,000 | Credit Analysis and Due Diligence |
| Bill Wachs | Sr. Manager | 300 | 16,500 | 16,500 | 15,000 | Credit Analysis and Due Diligence |
| Scott Bormet | Consultant | 250 | 12,500 | 12,500 | 12,500 | Credit Analysis and Due Diligence |
| John Dahl | Manager | 225 | 11,250 | 11,250 | - | Credit Analysis and Due Diligence |
| Andrea Noah | Consultant | 190 | 9,500 | 9,500 | 9,500 | Credit Analysis and Due Diligence |
| | | | $129,626 | $109,000 | $73,250 | |
| Expenses | | | 14,000 | 12,250 | 8,750 | |
| Fees and Expenses | | | 143,626 | 121,250 | 82,000 | |
| Rounded | | | $144,000 | $122,500 | $83,000 | |

[a] Weeks ending 12/27/02 through 1/3/03 estimated at $23,500 and $30,000 total fees and expenses, respectively, for holiday weeks.

## (7) - Restructuring Professional Fees and Expenses - Creditor

| Firm | Role |
|---|---|
| Seward & Kissel | NFF VI Trustee Counsel |
| Kaye Scholer | NFF VI Noteholders Counsel |
| Squire Sanders | NFF XII Trustee Counsel |
| Houlihan Lokey | NFF XII Ad Hoc Noteholders Committee Advisor |
| Milbank Tweed | Counsel to NFF XII Ad Hoc Noteholders Committee |
| Dillon Chance | Counsel to Ambac (Chair of committee) |
| M.R. Weiser | Accountant to NFF XII Ad Hoc Noteholders Committee |

| Firm | Role |
|---|---|
| Dewey & Shell | Local Counsel to NFF XII Ad Hoc Noteholders Committee |
| Thompson Hine | Counsel to JP Morgan |
| Berwich, Friedlander | Counsel to Credit Suisse First Boston (preferred) |
| Ballard Spahr Andrews & Ingersoll | Counsel to Creditors Committee |
| FTI | Financial Advisor to the Committee |

Fees Payout % 87%
Expense Payout % 100%

ASSUMPTIONS
Accrued fees through Dec 15 paid in full in week ended 1/17/03
Fees accrued beyond Dec 15 currently modeled only for Ballard Spahr and Financial Advisor to the Committee
Houlihan Lokey accrued fees through Jan 8 paid out on 1/17/03

| Week Ending: | Prepetition | 11/23/02 | 11/30/02 | 12/6/02 | 12/13/02 | 12/20/02 | 12/27/02 | 1/3/03 | 1/10/03 | 1/17/03 | 1/24/03 | 1/31/03 | 2/7/03 | 2/14/03 | 2/21/03 | 2/28/03 | 3/7/03 | 3/14/03 | 3/21/03 | 3/28/03 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Estimated | | | | | | | | | Projected | | | | | | | | | | |
| **1. Retained:** | | | | | | | | | | | | | | | | | | | | |
| **Ballard Spahr Andrews & Ingersoll** | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | - | - | - | - | - | 175,000 | 175,000 | 300,000 | 425,000 | 550,000 | 675,000 | 800,000 | 925,000 | 810,000 | 1,035,000 | 1,160,000 | 1,285,000 | 1,410,000 | 1,035,000 |
| Fees (est.) | | | | | | | - | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| Expenses (est.) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Retainer | | | | | | | | | 500,000 | - | | | | | | | | | | |
| Cash Paid | | | | | | | | | (500,000) | - | | | | (140,000) | - | | | | (500,000) | |
| Accrued Fees (Cumulative) | | - | - | - | - | - | 175,000 | 300,000 | 425,000 | 550,000 | 675,000 | 800,000 | 925,000 | 810,000 | 1,035,000 | 1,160,000 | 1,285,000 | 1,410,000 | 1,035,000 | 1,160,000 |
| **Financial Advisor to the Committee** | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | - | - | - | - | - | - | - | - | - | 75,000 | 150,000 | 225,000 | 300,000 | 375,000 | 450,000 | 525,000 | 600,000 | 675,000 | 675,000 |
| Fees (est.) | | | | | | | | | | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Expenses (est.) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Retainer | | | | | | | | | - | 300,000 | | | | | | | | | | |
| Cash Paid | | | | | | | | | - | (300,000) | | | | | | | | | (100,000) | |
| Accrued Fees (Cumulative) | | - | - | - | - | - | - | - | - | 75,000 | 150,000 | 225,000 | 300,000 | 375,000 | 450,000 | 525,000 | 600,000 | 675,000 | 650,000 | 645,000 |
| **2. Non-Retained:** | | | | | | | | | | | | | | | | | | | | |
| **Seward & Kissel** | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | - | - | - | - | 800,000 | 800,000 | 800,000 | 800,000 | 800,000 | - | - | - | - | - | - | - | - | - | - |
| Fees (est.) | | | | | | | | | | | | | | | | | | | | |
| Expenses (est.) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Retainer | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | | | | | | | | | | (800,000) | | | | | | | | | | |
| Accrued Fees (Cumulative) | | - | - | - | - | 800,000 | 800,000 | 800,000 | 800,000 | 800,000 | - | - | - | - | - | - | - | - | - | - |
| **Kaye Scholer** | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | - | - | - | - | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | - | - | - | - | - | - | - | - | - | - |
| Fees (est.) | | | | | | | | | | | | | | | | | | | | |
| Expenses (est.) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Retainer | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | | | | | | | | | | (1,000,000) | | | | | | | | | | |
| Accrued Fees (Cumulative) | | - | - | - | - | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | - | - | - | - | - | - | - | - | - | - |
| **Squire Sanders** | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | - | - | - | - | 797,000 | 797,000 | 797,000 | 797,000 | 797,000 | - | - | - | - | - | - | - | - | - | - |
| Fees (est.) | | | | | | | | | | | | | | | | | | | | |
| Expenses (est.) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Retainer | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | | | | | | | | | | (797,000) | | | | | | | | | | |
| Accrued Fees (Cumulative) | | - | - | - | - | 797,000 | 797,000 | 797,000 | 797,000 | 797,000 | - | - | - | - | - | - | - | - | - | - |
| **Houlihan Lokey** | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | - | - | - | - | - | - | 800,000 | 819,384 | 858,094 | - | - | - | - | - | - | - | - | - | - |
| Fees (est.) | | | | | | | | | 38,710 | | | | | | | | | | | |
| Expenses (est.) | | - | - | - | - | - | - | 19,384 | - | - | - | - | - | - | - | - | - | - | - | - |
| Retainer | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | | | | | | | | | | (858,094) | | | | | | | | | | |
| Accrued Fees (Cumulative) | | - | - | - | - | - | - | 819,384 | 858,094 | - | - | - | - | - | - | - | - | - | - | - |
| **Milbank Tweed** | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | - | - | - | - | 1,345,000 | 1,345,000 | 1,345,000 | 1,345,000 | 1,345,000 | - | - | - | - | - | - | - | - | - | - |
| Fees (est.) | | | | | | | | | | | | | | | | | | | | |
| Expenses (est.) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Retainer | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | | | | | | | | | | (1,345,000) | | | | | | | | | | |
| Accrued Fees (Cumulative) | | - | - | - | - | 1,345,000 | 1,345,000 | 1,345,000 | 1,345,000 | 1,345,000 | - | - | - | - | - | - | - | - | - | - |
| **Dewey & Shell** | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | - | - | - | - | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | - | - | - | - | - | - | - | - | - | - |
| Fees (est.) | | | | | | | | | | | | | | | | | | | | |
| Expenses (est.) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Retainer | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | | | | | | | | | | (50,000) | | | | | | | | | | |
| Accrued Fees (Cumulative) | | - | - | - | - | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | - | - | - | - | - | - | - | - | - | - |
| **Thompson Hine** | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | - | - | - | - | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | - | - | - | - | - | - | - | - | - | - |
| Fees (est.) | | | | | | | | | | | | | | | | | | | | |
| Expenses (est.) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Retainer | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | | | | | | | | | | (150,000) | | | | | | | | | | |
| Accrued Fees (Cumulative) | | - | - | - | - | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | - | - | - | - | - | - | - | - | - | - |
| **Berwich, Friedlander** | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | - | - | - | - | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | - | - | - | - | - | - | - | - | - | - |
| Fees (est.) | | | | | | | | | | | | | | | | | | | | |
| Expenses (est.) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Retainer | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | | | | | | | | | | (50,000) | | | | | | | | | | |
| Accrued Fees (Cumulative) | | - | - | - | - | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | - | - | - | - | - | - | - | - | - | - |
| **Dillon Chance** | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | - | - | - | - | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | - | - | - | - | - | - | - | - | - | - |
| Fees (est.) | | | | | | | | | | | | | | | | | | | | |
| Expenses (est.) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

## [7] - Restructuring Professional Fees and Expenses - Creditor

DRAFT

| Firm | Role |
|---|---|
| Howard E. Rosen | NPF VI Trustee Counsel |
| Kevin Schuler | NPF VI Noteholders Counsel |
| Bruce Simmons | NPF XII Trustee Counsel |
| Houlihan Lokey | NPF XII Ad Hoc Noteholders Committee Advisor |
| Mitchell Toward | Counsel to NPF XII Ad Hoc Noteholders Committee |
| Orrick Chance | Counsel to Ambac (Chair of committee) |
| M.R. Weiser | Accountant to NPF XII Ad Hoc Noteholders Committee |

| Firm | Role |
|---|---|
| Dewey & Stiefel | Local Counsel to NPF XII Ad Hoc Noteholders Committee |
| Thompson Hine | Counsel to JP Morgan |
| Dewey & Ballantine | Counsel to MBIA / NPF VI |
| Wachtell, Lipton | Counsel to Credit Suisse First Boston (underwriter) |
| Ballard Spahr Andrews & Ingersoll | Counsel to Creditors' Committee |
| 140 | Financial Advisor to the Committee |

Fees Payout % 80%
Expenses Payout % 100%

ASSUMPTIONS:
Accrued fees through Dec 15 based on full to date invoice ended 11/15/03
Fees accrued beyond Dec 15 currently reserved only for Ballard Spahr and Financial Advisor to the Committee
Houlihan Lokey accrued fees through Jan 8 paid out on 1/17/03

| Week Ending: | Prepetition | Estimated 11/2/03 | 11/9/03 | 11/16/03 | 11/23/03 | 11/30/03 | 12/7/03 | 12/14/03 | Projection 12/21/03 | 12/28/03 | 1/4/03 | 1/11/03 | 1/18/03 | 1/25/03 | 2/1/03 | 2/8/03 | 2/15/03 | 2/22/03 | 3/1/03 | 3/8/03 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Reserve | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | | | | | | | | | | (175,000) | | | | | | | | | | |
| Accrued Fees (Cumulative) | | | | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | | | | | | | | | | | |
| M.R. Weiser | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | | | | | | | | 25,000 | 25,000 | | | | | | | | | | |
| Fees (est.) | | | | | | | | | | | | | | | | | | | | |
| Expenses (est.) | | | | | | | | | | | | | | | | | | | | |
| Reserve | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | | | | | | | | | | (25,000) | | | | | | | | | | |
| Accrued Fees (Cumulative) | | | | | | | | 25,000 | 25,000 | | | | | | | | | | | |
| Wachtell, Lipton | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | | | | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | | | | | | | | | | |
| Fees (est.) | | | | | | | | | | | | | | | | | | | | |
| Expenses (est.) | | | | | | | | | | | | | | | | | | | | |
| Reserve | | | | | | | | | | | | | | | | | | | | |
| Cash Paid | | | | | | | | | | (150,000) | | | | | | | | | | |
| Accrued Fees (Cumulative) | | | | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | | | | | | | | | | | |
| Total - Creditor Fees | | | | | | | | | | | | | | | | | | | | |
| Carryforward Accrual Balance | | | | | 4,510,000 | 4,010,000 | 5,293,000 | 6,402,304 | 8,010,004 | 826,000 | 826,000 | 1,075,000 | 1,275,000 | 1,265,000 | 1,465,000 | 1,665,000 | 1,865,000 | 2,065,000 | 2,265,000 | 2,465,000 |
| Fees | | | | | | | 110,000 | 110,710 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Expenses (est.) | | | | | | | 10,304 | | | | | | | | | | | | | |
| Reserve | | | | | | | | 300,000 | 300,000 | | | | | | | | | | | |
| Cash Paid | | | | | | | | (300,000) | (3,301,004) | | | | (140,000) | | | | | | (500,000) | |
| Accrued Fees (Cumulative) | | | | 4,510,000 | 4,010,000 | 4,010,000 | 5,413,304 | 6,410,004 | 826,000 | 826,000 | 1,075,000 | 1,275,000 | 1,265,000 | 1,465,000 | 1,665,000 | 1,865,000 | 2,065,000 | 1,565,000 | 1,765,000 | 1,965,000 |

## [8] Cash Balance Summary

# National Century Financial Enterprises, Inc.

## Cash Balance Summary

## Friday, January 03, 2003

(Amounts in $'s)

| | | | |
|---|---|---|---|
| **Unrestricted Non-SPV Operating Accounts:** | | | |
| National City Bank Operating | | 1,342,388 | |
| Other Accounts | | 1,699 | |
| **Total Unrestricted Cash** | $ | 1,344,087 | |
| **Unrestricted Non-SPV Non-Operating Accounts:** | | | |
| National City Bank Special | $ | 243,905 | [b] |
| **Restricted Non-SPV Accounts:** | | | |
| NPF X, Inc. Collections | | 315,678 | [f] |
| NCFE Payroll | | (291,140) | [a] |
| Other | | 20,766 | |
| **Total Restricted Non-SPV** | $ | 45,304 | |
| **Restricted SPV Accounts:** | | | |
| **NPF VI - JP Morgan Chase** | | | |
| Collection | $ | 121,826 | |
| Purchase | | 8,194,382 | |
| Credit | | 60,117,177 | |
| Offset | | 13,894,052 | |
| Equity | | 54,197,769 | |
| Total NPF VI | $ | 136,525,206 | |
| **NPF XII - Bank One** | | | |
| Collection | $ | 40,874,794 | |
| Purchase | | 2,356,392 | |
| Credit | | 3,051,732 | |
| Offset | | 2,382,821 | |
| Equity | | 4,712,990 | |
| Total NPF XII | $ | 53,378,728 | |
| **Total NPF VI and XII** | $ | 189,903,934 | |

| Lockboxes [c] Lockbox Collections: | | NPF VI | | NPF XII | | Combined |
|---|---|---|---|---|---|---|
| 11/18 - 11/22 | $ | 2,016,389 | $ | 6,115,458 | $ | 8,131,847 |
| 11/25 - 11/29 | $ | 1,013,739 | $ | 3,875,223 | $ | 4,888,962 |
| 12/2 - 12/6 | $ | 1,325,301 | $ | 4,792,059 | $ | 6,117,360 |
| 12/9 - 12/13 | $ | 583,157 | $ | 3,053,112 | $ | 3,636,269 |
| 12/16 - 12/20 | $ | 1,010,473 | $ | 3,858,037 | $ | 4,868,510 |
| 12/23 - 12/27 | $ | 1,013,867 | $ | 3,021,935 | $ | 4,035,802 |
| Monday-Dec 30 | $ | 147,547 | $ | 575,001 | $ | 722,549 |
| Tuesday-Dec 31 | | 214,220 | | 528,001 | | 742,221 |
| Wednesday-Jan 01 | | - | | - | | - |
| Thursday-Jan 02 | | 108,622 | | 592,503 | | 701,125 |
| Friday-Jan 03 | | 43,942 | | 324,525 | | 368,466 |
| Subtotal | $ | 514,331 | $ | 2,020,030 | $ | 2,534,361 |
| **TOTAL Gross Collections** | $ | 7,477,257 | $ | 26,735,853 | $ | 34,213,110 |
| Less Wires to SPV Accounts | | (1,168,509) | | (859,736) | | (2,028,245) |
| Less Fees | | (12,860) | | (41,732) | | (54,591) |
| Less Debits [d] | | (2,990,052) | | (16,866,428) | | (19,856,481) |
| **Net Collections** | $ | 3,305,836 | $ | 8,967,957 | $ | 12,273,793 |
| **Beginning Balance on 11/18** | | 788,755 | | 408,032 | | 1,196,787 |
| Less Float [e] | | (223,513) | | (926,558) | | (1,150,070) |
| **Ending Balance** | $ | 3,871,079 | $ | 8,449,431 | $ | 12,320,510 |
| Prior Week Ending Balance | | 4,660,756 | | 8,011,579 | | 12,672,335 |
| **Weekly Net Change** | $ | (789,677) | $ | 437,852 | $ | (351,825) |

[a] Overdraft balance resulted from Huntington's honoring of a wire for payroll taxes after a set-off of the account had already occurred.
[b] Proceeds from Pilgrim Manor settlement. Maintaining separate non-operating account while legal issues are further assessed.
[c] Account balances include Huntington only. Balances include NPF VI and NPF XII accounts only.
[d] Representing primarily provider diversions and NSF checks.
[e] Note: Lockbox values are preliminary pending reconciliation with Huntington bank statements.
[f] Includes both NPF X Collection account and receipts held in NPF X lockbox at Huntington Bank.

# Exhibits

A. KERP

B. Due Diligence Client Assignment Schedule (not included in CCO attachment)

**Exhibit A**

# Key Employee Retention Plan ("KERP")

*ALL TERMS REMAIN SUBJECT TO CREDITOR AND COURT APPROVAL - REVISED 12/10/02 (Motion filed on 12/11/02)*

| Prelim Headcount | | First 89 Day Period - Post Bankruptcy Filing<br>Assumed: Nov 19, 2002 - Feb 16, 2002 | Subsequent Period - Beyond 90 Days Post Bankruptcy<br>Assumed: Feb 17, 2002 - Thereafter |
|---|---|---|---|
| 5 | **Tier I-A** | | |
| | Salary: | 25% pay increase over pre-petition pay | Continued 25% pay increase over pre-petition pay |
| | Retention Bonus [1]: | N/A | 25% of salary (quarterly in arrears) each quarter or until terminated |
| | Salary Guarantee: | 90 days regardless of when terminated | N/A |
| | Severance: | 4 weeks' severance and accrued vacation paid out | 6 weeks' severance and accrued vacation paid out |
| 15 | **Tier I-B** | | |
| | Salary: | 12.5% pay increase over pre-petition pay | Continued 12.5% pay increase over pre-petition pay |
| | Retention Bonus [1]: | N/A | 15% of salary (quarterly in arrears) each quarter or until terminated |
| | Salary Guarantee: | 90 days regardless of when terminated | N/A |
| | Severance: | 4 weeks' severance and accrued vacation paid out | 6 weeks' severance and accrued vacation paid out |
| | **Additional:** | Incentive Compensation: Consideration to be given to a discretionary component based on asset recovery performance goals (measures TBD) | |
| 29 | **Tier II** | | |
| | Salary: | 10% pay increase over pre-petition pay | Continued 10% pay increase over pre-petition pay |
| | Retention Bonus [1]: | N/A | 10% of salary (quarterly in arrears) each quarter or until terminated |
| | Salary Guarantee: | 60 days regardless of when terminated | N/A |
| | Severance: | 1 wk/yr of service (min 1 week) up to a max of 4 weeks, and accrued vacation paid out | 1.5 wk/yr of service (min 2 weeks) up to a max of 6 weeks, and accrued vacation paid o |
| 46 | **Tier III** | | |
| | Severance: | 1 wk/yr of service (min 1 week) up to a max of 4 weeks, and accrued vacation paid out | 1.5 wk/yr of service (min 2 weeks) up to a max of 6 weeks, and accrued vacation paid o |

| Recap: | |
|---|---|
| 5 | Tier I-A |
| 15 | Tier I-B |
| 29 | Tier II |
| 46 | Tier III |
| 95 | Current headcount at 11/22/2002 |

[1] - Paid on February 17, 2003 and quarterly thereafter

General:
NCFE proposes to also offer to provide an independent attorney (in addition to company counsel) to represent any current Tier I-A or Tier I-B employee (employed at 11/20/2002) in connection with the investigation of the FBI and SEC. This reimbursement is capped at $5,000 per employee in Tier I-A and $2,500 per employee in Tier I-B and is subject to presentation of an invoice of incurred fees. The number of Tier I-A employees who have been requested to be interviewed by the FBI is 5 and the number of Tier I-B employees so identified is 8. NCFE reserves the right, at its sole discretion, to cease to reimburse for such representation. Additionally, the off of reimbursement is conditional upon the employee being employed at the time the fees are incurred.

Assuming a full complement of staff for 120 days, the cost of the KERP is an additional $0.9m in excess of $1.7m base pay and pre-petition company entitlements.

It is assumed that the KERP once approved, will be retroactive to the petition date of November 18, 2002.