

40-8948  
40-7102  
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6/10/95  
① Robert  
② Docket  
1

Presentment Date: June 12, 1995  
Time: 12:00 p.m.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re :  
METALLURG, INC. and SHIELDALLOY : Chapter 11 Case Nos.  
METALLURGICAL CORPORATION, : 93 B 44468 (JLG)  
: 93 B 44469 (JLG)  
: (Jointly Administered)  
Debtors. :  
-----X

**NOTICE OF PROPOSED ORDER AUTHORIZING NUNC PRO TUNC  
RETENTION OF THE SEGAL COMPANY AS ACTUARIAL CONSULTANT  
TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF  
METALLURG, INC. AND SHIELDALLOY METALLURGICAL CORPORATION**

PLEASE TAKE NOTICE that upon the annexed application of the Official Committee of Unsecured Creditors of Metallurg, Inc. and Shieldalloy Metallurgical Corporation (the "Committee") seeking authority to retain The Segal Company as its actuarial consultant, and the accompanying affidavit of Donald J. Segal, sworn to on May 30, 1995, the attached order will be presented for signature to the Honorable James L. Garrity, United States Bankruptcy Judge, United States Bankruptcy Court, Alexander Hamilton Building, One Bowling Green, New York, New York 10004, Room 606 on June 12, 1995, at 12:00 o'clock noon.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the proposed order must be made in writing, must specifically state the grounds for the objection and must be served so that they are filed with the Court clerk's office, and received by

40701469 9506190162 950530  
PDR ADOCK 04007102  
C PDR

NH10 2/11

Judge Garrity's chambers and by the undersigned, not later than 11:30 a.m. on June 12, 1995. Unless objections are received by that time, the order may be signed.

Dated: New York, New York  
May 30, 1995

STROOCK & STROOCK & LAVAN  
Counsel to the Creditors' Committee

By: Lawrence M. Handelsman  
Lawrence M. Handelsman (LH-6957)  
A Member of the Firm

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Attn: Mary Lue S. Bill

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Presentment Date: June 12, 1995  
Time: 12:00 p.m.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
: In re :  
: : Chapter 11 Case Nos.  
METALLURG, INC. and SHIELDALLOY : 93 B 44468 (JLG)  
METALLURGICAL CORPORATION, : 93 B 44469 (JLG)  
: (Jointly Administered)  
Debtors. :  
: :  
-----X

**APPLICATION FOR APPROVAL OF THE NUNC PRO TUNC  
RETENTION OF THE SEGAL COMPANY AS ACTUARIAL CONSULTANT TO  
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF  
METALLURG, INC. AND SHIELDALLOY METALLURGICAL CORPORATION**

TO THE HONORABLE JAMES L. GARRITY,  
UNITED STATES BANKRUPTCY JUDGE:

The Official Committee of Unsecured Creditors (the "Committee") of Metallurg, Inc. ("Metallurg") and Shieldalloy Metallurgical Corporation ("Shieldalloy") (collectively, the "Debtors"), as and for its application (the "Application"), pursuant to section 1103(a) of title 11 of the United States Code (the "Bankruptcy Code") and rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for approval of the retention of The Segal Company as its actuarial consultant, nunc pro tunc to May 30, 1995, respectfully represents:

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334 and the "Standing Order of Referral of Cases to Bankruptcy Judges," dated July 10, 1984, by District Court Judge Robert T. Ward.

#### BACKGROUND

2. On September 2, 1993 (the "Petition Date"), the Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code, and have been continued in the management and operation of their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Debtors' chapter 11 cases are being jointly administered pursuant to an order of this Court dated September 2, 1993.

3. On September 13, 1993, the United States Trustee for the Southern District of New York conducted an organizational meeting and appointed the Committee. No other committee has been appointed in these chapter 11 cases.

4. On May 18, 1995, at a scheduled meeting of the Committee, in which a majority of the members of the Committee participated, the Committee voted to retain The Segal Company as its actuarial consultant, subject to this Court's approval.

#### RETENTION OF THE SEGAL COMPANY

5. The Committee seeks authority to retain The Segal Company, an actuarial consulting firm, to provide consulting

services to the Committee on matters relating to the calculation of benefits earned by the participants in certain executive compensation plans established by the Debtors.

6. Upon information and belief, the Debtors have established retirement plans for certain of their past and present employees. The benefits under such plans are payable in the future, generally over the life of the participants (or joint lives of the participants and their beneficiaries). Participants in such plans (consisting of both active and retired employees) have filed various claims relating to their benefits under the Debtors' unqualified retirement plans. As estimated by the Debtors, the total value of these claims is more than \$7.4 million.

7. In order to "convert" a future stream of periodic retirement payments into a claim amount, several assumptions and methods must be employed. Therefore, the Committee requires the assistance of an actuarial consultant in order for the Committee to discharge its duty to investigate the value of, and to monitor the treatment accorded to, such claims.

8. The Committee believes that The Segal Company is eminently qualified to serve the Committee as its actuarial consultant in the Debtors' chapter 11 cases, and that its retention is in the best interests of the Committee and the Debtors' estates. Mr. Donald J. Segal, who will perform most of the services to be provided by The Segal Company, has over

twenty-five years of experience in advising employers and employees in connection with the design, cost and appropriateness of different employee benefit arrangements and actuarial techniques. A copy of Mr. Segal's resume is annexed hereto as Exhibit A.

9. The professional services that The Segal Company will provide to the Committee include, but shall not be limited to, the following:

- (a) calculating the actuarial present value of the benefits to which the participants in the Debtors' retirement plans may be entitled; and
- (b) providing actuarial solutions with respect to other retirement plan issues that may arise in the Debtors' chapter 11 cases.

10. Upon information and belief, The Segal Company does not represent or hold any interest adverse to the Debtors' estates or their creditors in the matters upon which The Segal Company is to be engaged, except to the extent set forth in the affidavit of Donald J. Segal (the "Segal Affidavit") annexed hereto as Exhibit B. The Committee has been advised that The Segal Company has no connection with the Debtors, creditors or other parties in interest in these chapter 11 cases, except as disclosed in the Segal Affidavit.

11. The Segal Company will bill for Mr. Segal's services at his normal hourly rate of \$350 per hour. In addition, The Segal Company may also utilize other actuarial consultants employed by The Segal Company as and wherever



appropriate, and will bill for such professionals' services at their normal hourly rates, which are between \$150 and \$350 per hour. The Segal Company has advised the Committee that the total compensation that it will seek for its performance of actuarial consulting services for the Committee will be between \$10,000 and \$15,000; in no event, however, shall The Segal Company's compensation for its performance of such services exceed \$20,000 in the aggregate.

12. The Segal Company has agreed to make appropriate applications to this Court for the payment of compensation and the reimbursement of expenses as required by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and this Court's Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases.

13. At the Committee's request, The Segal Company has commenced its review of documentation concerning the services that it will perform as of May 30, 1995. Accordingly, the Committee requests that The Segal Company's retention be approved nunc pro tunc to May 30, 1995.

14. The Debtors have been apprised of the Committee's desire to retain an actuarial consulting firm and have advised the Committee that they have no objection thereto.

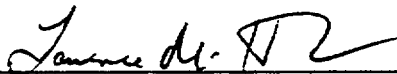
15. No previous application for the relief requested herein has been made to this or any other Court.

16. This Application does not raise any novel issues of law and, accordingly, the Committee respectfully requests that the requirement under Local Bankruptcy Rule 13(b) for the submission of a memorandum of law be waived.

**WHEREFORE**, the Committee requests that an order be entered authorizing it to retain The Segal Company as its actuarial consultant in these chapter 11 cases and for such other and further relief as may be just and proper.

Dated: New York, New York  
May 30, 1995

STROOCK & STROOCK & LAVAN  
Counsel to the Official Committee  
of Unsecured Creditors

By:   
Lawrence M. Handelsman (LH-6957)  
A Member of the Firm

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Presentment Date: June 12, 1995  
Time: 12:00 p.m.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re :  
METALLURG, INC. and SHIELDALLOY : Chapter 11 Case Nos.  
METALLURGICAL CORPORATION, : 93 B 44468 (JLG)  
 : 93 B 44469 (JLG)  
 : (Jointly Administered)  
Debtors. :  
-----X

**ORDER AUTHORIZING NUNC PRO TUNC RETENTION OF  
THE SEGAL COMPANY AS ACTUARIAL CONSULTANT  
TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Upon the annexed application (the "Application") of the Official Committee of Unsecured Creditors of Metallurg, Inc. and Shieldalloy Metallurgical Corporation (the "Committee") for authority to retain The Segal Company as its actuarial consultant, nunc pro tunc to May 30, 1995, and upon the Affidavit of Donald J. Segal, sworn to on May 30, 1995, which is annexed to the Application; and the Court being satisfied that (i) the employment of The Segal Company is necessary and in the best interests of the Committee, the unsecured creditors and the estates, (ii) The Segal Company does not have or represent any interest adverse to the Debtors or their creditors, the Committee, or any other party in interest, except to the extent disclosed, and (iii) The Segal Company is a "disinterested person" as that term is defined in section 101(14) of the

Bankruptcy Code; and proper notice of the Application having been given; and sufficient cause appearing for the relief sought in the Application; it is

**ORDERED**, that the Application is granted in all respects; and it is further

**ORDERED**, that the Committee be, and hereby is, authorized to retain The Segal Company as its actuarial consultant, nunc pro tunc to May 30, 1995; and it is further

**ORDERED**, that The Segal Company shall be compensated in accordance with the procedures set forth in the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Guidelines for Fees and Disbursements For Professionals in Southern District of New York Bankruptcy Cases issued by this Court and any orders entered by this Court; and it is further

**ORDERED**, that The Segal Company's compensation for its performance of actuarial consulting services for the Committee shall not exceed \$20,000 in the aggregate.

Dated: New York, New York  
June \_\_, 1995

UNITED STATES BANKRUPTCY JUDGE

**NO OBJECTION TO ENTRY OF  
THE FOREGOING ORDER:**

OFFICE OF THE U.S. TRUSTEE

By: \_\_\_\_\_



**DONALD J. SEGAL  
VICE PRESIDENT AND ACTUARY**

Mr. Segal joined The Segal Company's New York office in 1988 as a vice president and benefits consultant. His current responsibilities include providing benefit consulting, design and actuarial services to corporate and non-profit clients. He is an expert in designing both qualified and non-qualified retirement plans for law firms. He is also responsible for the Enrolled Actuary continuing education program at The Segal Company.

Before joining The Segal Company, Mr. Segal served as chief actuary for another consulting firm. He has extensive experience in actuarial consulting and strategic planning, as well as in the recruitment and training of actuarial and administrative staff.

Mr. Segal is an Enrolled Actuary, a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries, and a Member of the American Academy of Actuaries. Since 1988 Mr. Segal has been a member of the Advisory Committee on Examinations to the Joint Board for the Enrollment of Actuaries. He also serves or has served on the Society of Actuaries Program Committee, Pension Section Council, Pension Research Committee, and Retirement Systems Professional Development Committee, as well as the Pension Committee of the American Academy of Actuaries, the Annual Meeting Committee of the Conference of Consulting Actuaries, the Joint Program Committee for the Enrolled Actuaries Meeting, the APPWP Retirement Savings Committee, and the Pension Practitioners Liaison Group of the IRS Brooklyn Key District. He is an Associate Editor of the *Enrolled Actuaries Report*.

Mr. Segal, a graduate of Yale University, is a frequent speaker at meetings of the Society of Actuaries and the Conference of Consulting Actuaries, as well as the Enrolled Actuaries Meeting on various topics including plan design, integration, non-discrimination testing, selection of actuarial assumptions and funding methods, and interpretation of the Internal Revenue Code and Regulations. He is a participant in the Inter-Sector Group, which holds regular meetings between IRS officials and the actuarial profession's leadership.

Exhibit B

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
:   
In re :   
: Chapter 11 Case Nos.   
METALLURG, INC. and SHIELDALLOY : 93 B 44468 (JLG)   
METALLURGICAL CORPORATION, : 93 B 44469 (JLG)   
: (Jointly Administered)   
Debtors. :   
:   
-----X

**AFFIDAVIT OF DONALD J. SEGAL PURSUANT TO BANKRUPTCY CODE  
SECTIONS 504 AND 1103(b) AND BANKRUPTCY RULE 2014(a)**

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

**DONALD J. SEGAL**, being duly sworn, deposes and says:

1. I am a Vice President of The Segal Company, which maintains an office for providing actuarial consulting services at One Park Avenue, New York, New York 10016.

2. I am familiar with the matters set forth herein and make this Affidavit in support of the Application (the "Application") for Approval of the Retention of The Segal Company as Actuarial Consultant to the Official Committee of Unsecured Creditors (the "Committee") of Metallurg, Inc. and Shieldalloy Metallurgical Corporation (collectively, the "Debtors").



3. The Committee has requested The Segal Company to serve as its actuarial consultant in these chapter 11 cases. I personally will perform most of the services to be provided by The Segal Company.

4. I have over twenty-five years of experience in advising employers and employees in connection with the design, cost and appropriateness of different employee benefit arrangements and actuarial techniques. In light of my background and experience, I believe that I am well qualified to perform the actuarial consulting services required by the Committee.

5. Except as disclosed below, to the best of my knowledge and information, The Segal Company does not hold or represent any interest adverse to the Committee, the Debtors, their affiliates, creditors or other parties in interest (or their respective attorneys) in these chapter 11 cases.

6. The Segal Company has performed and is performing employee benefit plan design work for Chemical Bank; however, such work is unrelated to these chapter 11 proceedings.

7. The Segal Company also has acted as the health plan consultant to The 65 Security Plan maintained by the United Auto Workers of District 65; however, such work is unrelated to these chapter 11 proceedings.

8. The Segal Company also has performed and is performing actuarial consulting services for the law firm of Stroock & Stroock & Lavan ("Stroock") in connection with Stroock's maintenance of certain partner and employee retirement plans; however, such work is unrelated to these chapter 11 proceedings.

9. In addition to the entities described above, The Segal Company may have performed services for or otherwise dealt with, and may now be performing services for or otherwise dealing with, other entities (and their attorneys and/or accountants), including members of the Committee, that are or may consider themselves creditors, equity security holders or parties in interest in these chapter 11 cases. To the best of my knowledge, however, none of these dealings includes any matter related to the Debtors or their bankruptcy estates.

10. Based upon information available to me, I believe that The Segal Company is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code.

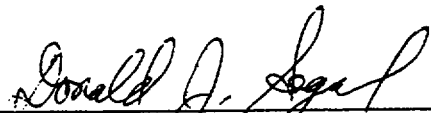
11. The Segal Company will bill for the actuarial consulting services that I perform for the Committee at my normal hourly rate of \$350 per hour. The Segal Company may also utilize other actuarial consultants employed by The Segal Company to perform services for the Committee as and whenever

appropriate, at such professionals' normal hourly rates, which are between \$150 and \$350 per hour.

12. The Segal Company will make appropriate application to this Court for allowance of compensation and reimbursement of out-of-pocket expenses in accordance with the provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and this Court's Guidelines for Fees and Disbursements for Professionals in the Southern District of New York.

13. The Segal Company has not received any promises as to compensation in connection with these chapter 11 cases other than in accordance with the Bankruptcy Code.

14. The Segal Company has not agreed to share any compensation to be paid for services that it renders in these chapter 11 cases with any person or entity.



Donald J. Segal  
Vice President  
The Segal Company

Sworn to before me this  
30 th day of May, 1995.

  
Notary Public

**BONNIE A. ZITOPSKY**  
Notary Public, State of New York  
No. 31-4508468  
Qualified in Westchester County  
Commission Expires November 30, 1995