

Debtors' Application for an Order Expanding the Ordinary Course Retention of Howrey LLP by Authorizing the Employment and Retention of Howrey LLP as Special Counsel for the Debtors and Debtors in Possession *Nunc Pro Tunc* to July 1, 2009 (the "Howrey Application").

By the Howrey Application, the Debtors seek entry of an order authorizing the Debtors to retain and employ Howrey LLP ("Howrey") as special counsel *nunc pro tunc* to July 1, 2009.

As set forth in the Howrey Application, the Debtors have employed Howrey as an ordinary course professional in the chapter 11 cases. The Debtors have determined, however, that Howrey's fees and expenses will exceed the limits established pursuant to the Bankruptcy Court's order (the "OCP Order") authorizing the Debtors to retain and employ ordinary course professionals.¹ Accordingly, the Debtors now seek authorization to retain and employ Howrey as special counsel.

According to the Howrey Application, Howrey will continue to represent the Debtors in connection with insurance coverage litigation and will advise the Debtors with respect to, among other things, (i) legacy liabilities, (ii) insurance procurement, (iii) insurance claim handling and prosecution, and (iv) the coordination of defense for asbestos and toxic tort claims. The Debtors believe that Howrey is well suited to serve as special counsel to the Debtors because Howrey has considerable knowledge concerning insurance matters. The Debtors further assert that Howrey has provided similar services to the Debtors and certain of their affiliates for more than 15 years, and that Howrey will be able to represent the Debtors in an efficient manner because Howrey has gained knowledge of the Debtors' insurance coverage over the course of such period. In addition, the Debtors maintain that the services to be provided by Howrey will not be duplicative of the services provided by the Debtors' other professionals.

The Debtors propose to compensate Howrey in accordance with Howrey's customary hourly rates. By category, Howrey's hourly rates are as follows: (i) partners - \$620 to \$815; (ii) associates - \$315 to \$525; (iii) professional consultants - \$355; and (iv) trainees/paralegals - \$145 to \$240. The Debtors will also reimburse Howrey for all other expenses incurred in connection with the services provided. Howrey will apply to the Bankruptcy Court for allowance of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, Bankruptcy Rules and the Local Bankruptcy Rules.

During the 90-day period prior to March 18, 2009 (the "Petition Date"), the Debtors paid Howrey \$6,254.97 for professional services performed and expenses incurred. Prior to the Petition Date, Howrey also issued invoices to the Debtors in the total amount of \$340,192.46, which amount remains unpaid. The Debtors submit that Howrey has no connections with the Debtors, their creditors or any other parties in interest in these chapter 11 cases, except that Howrey has represented certain of the Debtors' creditors and other entities and parties in interest

¹ Pursuant to the OCP Order, the fees, excluding costs and disbursements, of an ordinary course professional may not exceed \$50,000 per month on a rolling three month basis and the total amount disbursed for the duration of the chapter 11 cases may not exceed \$250,000 per ordinary course professional. Howrey has invoiced the Debtors for fees and expenses in the following amounts: (i) \$17,233.00 (March 2009); (ii) \$35,411.51 (April 2009); (iii) \$33,989.98 (May 2009); (iv) \$50,170.12 (June 2009); and (v) \$105,151.65 (July 2009).

in matters wholly unrelated to the chapter 11 cases. The Debtors further submit that Howrey does not hold or represent any interest adverse to the Debtors or their estates with respect to the matters on which Howrey is to be engaged.

The Howrey Application has been scheduled for presentment on October 20, 2009 at 12:00 p.m. (ET), with a corresponding objection deadline of October 20, 2009 at 11:30 a.m. (ET).