

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

In re:

LOCAL INSIGHT MEDIA HOLDINGS, INC., et al.,<sup>1</sup>

Debtors.

Chapter 11

Case No. 10-13677

Joint Administration Requested

**APPLICATION OF LOCAL INSIGHT  
MEDIA HOLDINGS, INC., ET AL. FOR ENTRY  
OF AN ORDER AUTHORIZING THE RETENTION AND  
EMPLOYMENT OF KURTZMAN CARSON CONSULTANTS LLC  
AS NOTICE AND CLAIMS AGENT FOR THE DEBTORS AND  
DEBTORS IN POSSESSION *NUNC PRO TUNC* TO THE PETITION DATE**

Local Insight Media Holdings, Inc. and certain of its subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, “Local Insight” or the “Debtors”) file this Application (the “Application”) for entry of an order, substantially in the form attached hereto as **Exhibit A**, authorizing the Debtors to retain Kurtzman Carson Consultants LLC (“KCC”) as notice and claims agent to the Debtors in connection with the Debtors’ chapter 11 cases, effective *nunc pro tunc* to the date hereof (the “Petition Date”). In support of this Application, the Debtors submit the Declaration of Albert H. Kass, Vice President of Corporate Restructuring Services at KCC (the “Kass Declaration”), attached hereto as **Exhibit B**. Also in support of this application, the Debtors submit the *Declaration of Richard C.*

<sup>1</sup> The Debtors, together with the last four digits of each of the Debtors’ federal tax identification number (if applicable), are: Local Insight Media Holdings, Inc. (2696); Local Insight Media Holdings II, Inc. (8133); Local Insight Media Holdings III, Inc. (8134); LIM Finance Holdings, Inc. (8135); LIM Finance, Inc. (8136); LIM Finance II, Inc. (5380); Local Insight Regatta Holdings, Inc. (6735); The Berry Company LLC (7899); Local Insight Listing Management, Inc. (7524); Regatta Investor Holdings, Inc. (8137); Regatta Investor Holdings II, Inc. (8138); Regatta Investor LLC; Regatta Split-off I LLC; Regatta Split-off II LLC; Regatta Split-off III LLC; Regatta Holding I, L.P.; Regatta Holding II, L.P.; and Regatta Holding III, L.P. For the purpose of these chapter 11 cases, the service address for all Debtors is: 188 Inverness Drive West, Suite 800, Englewood, CO 80112.



*Jenkins, the Debtors' Chief Financial Officer, in Support of First Day Motions* (the "First Day Declaration"). In further support of this Application, the Debtors respectfully state as follows:

### **Jurisdiction**

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. Venue is proper in this Court pursuant to 28 U.S.C. § 1408.

3. The statutory bases for the relief requested herein are section 156(c) of title 28 of the United States Code, section 503(b) of title 11 of the United States Code, 11 U.S.C. §§ 101 - 1532, (the "Bankruptcy Code") and Rules 2002-1(f) and 9013-1(m) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Bankruptcy Rules").

### **Relief Requested**

4. By this Application, the Debtors seek entry of an order authorizing the employment and retention of KCC as the notice and claims agent in these chapter 11 cases, subject to that certain services agreement, dated November 3, 2010, by and between KCC and Regatta Investor Holdings, Inc. (the "Services Agreement"), annexed as Exhibit 1 to **Exhibit A** attached hereto, effective *nunc pro tunc* to the Petition Date.

### **Background**

5. On the Petition Date, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently herewith, the Debtors filed a motion seeking joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b).

6. As set forth in the First Day Declaration, the Debtors, along with their non-Debtor affiliates and subsidiaries (collectively, the “Company”), are the fifth-largest Yellow Pages directory publisher in the United States and serve as a leading provider of local search advertising products and services. The Debtors’ headquarters are located in Englewood, Colorado. The Debtors currently employ approximately 729 employees throughout the United States.

7. The Company operates three different business units, each of which is owned, indirectly, by Debtor Local Insight Media Holdings, Inc. The “Regatta” business unit, which consists entirely of Debtor entities, sells advertising and coordinates publication and distribution of approximately 870 different print directories and for approximately 30 Internet Yellow Pages directories. The Debtors’ second business unit includes several Debtor holding companies that own, directly or indirectly, non-Debtor Local Insight Media, Inc. (“LIMI”), which employs most of the Company’s senior management and provides management services to Regatta under an intercompany management agreement. LIMI is also the indirect parent company of several non-Debtor entities that own directory publishing rights in Alaska, Cincinnati and Hawaii; these entities outsource the sale of advertising, production and distribution of their directories to Regatta. The Debtors’ third business unit, “Caribe,” is composed entirely of non-Debtor entities that own publication rights for certain print and internet directories in the Dominican Republic and Puerto Rico and provide essential back-office support and services to Regatta.

#### **KCC’s Qualifications**

8. The thousands of creditors and other parties in interest involved in the Debtors’ chapter 11 cases may impose heavy administrative and other burdens on this Court and the Office of the Clerk of the Court (the “Clerk’s Office”). To relieve the Clerk’s Office of these burdens, the Debtors seek an order appointing KCC as the notice and claims agent in these

chapter 11 cases pursuant to both 28 U.S.C. § 156(c) and Local Bankruptcy Rules 2002-1(f) and 9013-1(m). The Debtors' selection of KCC to act as the official claims agent has satisfied the Court's protocol for the retention of a notice and claims agent, where the Debtors have obtained and reviewed engagement proposals from other court-approved claims agents to ensure selection through a competitive process. Moreover, the Debtors submit, based on all engagement proposals obtained and reviewed, that KCC would provide the most cost effective and efficient service as a claims agent for these chapter 11 cases.

9. The Debtors anticipate that there will be in excess of 6,000 entities to be noticed in these chapter 11 cases. In view of the number of anticipated claimants and the complexity of the Debtors' businesses, the Debtors submit that the appointment of an outside claims agent is both necessary and in the best interests of the Debtors' estates, creditors and parties in interest. By retaining KCC in these chapter 11 cases, the Debtors' estates, and particularly their creditors, will benefit because KCC has already developed efficient and cost-effective methods in its area of expertise. As set forth in the Kass Declaration, KCC has acted as the official claims agent in numerous cases of comparable size, including several cases which are currently pending in this Court.

#### **Services to Be Provided**

10. KCC, at the request of the Debtors or the Clerk's Office, will perform claims agent and related administrative services for the Debtors in accordance with the terms of Services Agreement. KCC will, without limitation:

- a. Notify all potential creditors of the filing of the bankruptcy petitions and of the setting of the first meeting of creditors, pursuant to §341(a) of the Bankruptcy Code, under the proper provisions of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") as determined by Debtors' counsel;
- b. Prepare and serve required notices in these chapter 11 cases, including:

- i. a notice of the commencement of these chapter 11 cases and the initial meeting of creditors under section 341(a) of the Bankruptcy Code;
  - ii. notices of objections to claims (if necessary);
  - iii. notices of any hearings on a disclosure statement and confirmation of a plan or plans of reorganization; and
  - iv. such other miscellaneous notices as the Debtors or Court may deem necessary or appropriate for an orderly administration of these chapter 11 cases;
- c. Maintain an official copy of the Debtor(s)' schedules of assets and liabilities and statement of financial affairs (collectively, "Schedules"), listing the Debtor(s)' known creditors and the amounts owed thereto;
  - d. Provide access to the public for examination of copies of the proofs of claim or proofs of interest filed in the chapter 11 cases without charge during regular business hours (if necessary);
  - e. Furnish a notice of the last date for the filing of proofs of claims and a form for the filing of a proof of claim, after such notice and form are approved by this Court;
  - f. File with the Clerk's Office an affidavit or certificate of service which includes a copy of the notice, a list of persons to whom it was mailed (in alphabetical order), and the date mailed, within ten days of service;
  - g. Docket all claims received by the Clerk's Office, maintain the official claims registers (the "Claims Registers") for each Debtor on behalf of the Clerk, and provide the Clerk with certified duplicate, unofficial Claims Registers on a monthly basis, unless otherwise directed;
  - h. Record all transfers of claims, pursuant to Bankruptcy Rule 3001(e), and provide any notices of such transfers required by Bankruptcy Rule 3001(e);
  - i. Specify, in the applicable Claims Register, the following information for each claim docketed: (1) the claim number assigned, (2) the date received, (3) the name and address of the claimant and agent, if applicable, who filed the claim, and (4) the classification(s) of the claim (e.g., secured, unsecured, priority, etc.);
  - j. Relocate, by messenger, all of the actual proofs of claim filed with the Court to KCC, not less than weekly;

- k. Upon completion of the docketing process for all claims received to date by the Clerk's Office for each case, turn over to the Clerk copies of the Claims Register for the Clerk's review;
- l. Make changes in the Claims Registers pursuant to Court Order;
- m. Maintain the official mailing list for each Debtor of all entities that have filed a proof of claim, which list shall be available upon request by a party-in-interest or the Clerk;
- n. Assist with, among other things, solicitation and calculation of votes and distribution as required in furtherance of confirmation of plan(s) of reorganization;
- o. Provide such other claims processing, noticing and administrative services as may be requested from time to time by the Debtors;
- p. File with the Court the final version of the claims register immediately before the close of the chapter 11 cases;
- q. Thirty days prior to the close of these cases, an order dismissing KCC shall be submitted terminating the services of KCC upon completion of its duties and responsibilities and upon the closing of these cases;
- r. File with the Court the final version of the Claims Register immediately before the closing of these chapter 11 cases; and
- s. At the close of the case, box and transport all original documents, in proper format, as provided by the Clerk's Office, to the Federal Archives Record Administration, located at Central Plains Region, 200 Space Center Drive, Lee's Summit, MO 64064.

11. In addition to the foregoing, KCC will assist the Debtors with, among other things: (a) maintaining and updating the master mailing lists of creditors; (b) to the extent necessary, gathering data in conjunction with the preparation of the Debtors' Schedules; (c) tracking and administration of claims; and (d) performing other administrative tasks pertaining to the administration of these chapter 11 cases as may be requested by the Debtors or the Clerk's Office in accordance with the terms of the Services Agreement. KCC will follow the notice and claim procedures that conform to the guidelines promulgated by the Clerk of the Court and the Judicial Conference of the United States and as may be entered by the Court's order.

12. Furthermore, the Debtors respectfully submit that the fees and expenses incurred by KCC are administrative in nature and, therefore, should not be subject to the standard fee application procedures for professionals. Specifically, the Debtors request authorization to compensate KCC in accordance with the terms and conditions set forth in the Services Agreement, upon KCC's submission to the Debtors of invoices summarizing in reasonable detail the services rendered and expenses incurred in connection with services provided by KCC to the Debtors.

#### **Compensation**

13. The Debtors propose that the cost of KCC's services be paid from the Debtors' estates as provided by 28 U.S.C. § 156(c) and section 503(b)(1)(A) of the Bankruptcy Code. The fees KCC will charge in connection with its services to the Debtors are set forth in the Services Agreement. The Debtors believe that KCC's proposed rates are reasonable and appropriate for services of this nature. KCC's rates are competitive and comparable to the rates KCC's competitors charge for similar services. Additionally, KCC will seek reimbursement from the Debtors for reasonable expenses in accordance with the terms of the Service Agreement.

14. The Debtors paid KCC a retainer of \$100,000 on November 3, 2010.

#### **KCC's Disinterestedness**

15. The Debtors have many creditors and, accordingly, KCC may have rendered and may continue to render services to certain of these creditors. KCC has not and will not represent the separate interests of any such creditor in these cases. Additionally, KCC employees may, in the ordinary course of their personal affairs, have relationships with certain creditors of the Debtors. For example, one or more of KCC's employees may have obligations outstanding with financial institutions that are creditors of the Debtors or may have used the Debtors' services.

16. Although the Debtors do not propose to retain KCC under section 327 of the Bankruptcy Code, KCC has reviewed its electronic database and, to the best of its knowledge and except to the extent disclosed herein and in the Kass Declaration, KCC does not (a) hold or represent an interest materially adverse to the Debtors' estates in connection with any matter on which it would be employed and that it is a "disinterested person," as referenced in section 327(a) of the Bankruptcy Code and as defined in section 101(14) of the Bankruptcy Code or (b) have any materially adverse connection to the Debtors, their creditors or other relevant parties.

17. In connection with its retention as notice and claims agent, KCC represents, among other things, that:

- a. KCC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the notice and claims agent in these chapter 11 cases;
- b. By accepting employment in these chapter 11 cases, KCC waives any rights to receive compensation from the United States government;
- c. In its capacity as the notice and claims agent in these chapter 11 cases, KCC will not be an agent of the United States and will not act on behalf of the United States; and
- d. KCC will not employ any past or present employees of the Debtors in connection with its work as the notice and claims agent in these chapter 11 cases.

18. To the extent that KCC discovers any new relevant facts or relationships bearing on the matters described herein during the period of its retention, KCC will use reasonable efforts to supplement the Kass Declaration.

#### **Basis for Relief**

19. This Application is made pursuant to section 156(c) of title 28 of the United States Code, which governs the staffing and expenses of bankruptcy courts. Section 156(c)



authorizes the Court to use “facilities” or “services” other than the Clerk’s Office for administration of bankruptcy cases. It states:

Any court may utilize facilities or services, either on or off the court’s premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the costs of such facilities or services are paid for out of the assets of the estate and are not charged to the United States. The utilization of such facilities or services shall be subject to such conditions and limitations as the pertinent circuit council may prescribe.

28 U.S.C. § 156(c).

20. In addition, Local Bankruptcy Rule 2002-1(f) provides, in relevant part, as follows:

Notice and Claims Clerk. Upon motion of the debtor or trustee, at any time without notice or hearing, the Court may authorize the retention of a notice and/or claims clerk under 28 U.S.C. § 156(c). In all cases with more than 200 creditors, unless the Court orders otherwise, the debtor shall file such motion on the first day of the case or within ten (10) days thereafter.

Del. Bankr. L.R. 2002-1(f).

21. Accordingly, section 156(c) of title 28 of the United States Code empowers the Court to utilize outside agents and facilities for notice and claims purposes, provided the Debtors’ estates pay the cost of such services. Additionally, Local Bankruptcy Rule 2002-1(f) requires, in all cases with over 200 creditors (such as these chapter 11 cases), a debtor to file a motion to retain a claims agent on the first day of the case or within ten days thereafter. Therefore, for all of the foregoing reasons, the Debtors believe that the retention of KCC as the notice and claims agent in the chapter 11 cases is in the best interests of the Debtors, their estates and their creditors.

22. Courts in this District have recognized the efficacy of appointing KCC as notice and claims agent and compensating them on an administrative priority basis as proposed herein. See, e.g., In re OTC Holdings Corporation, No. 10-12636 (BLS) (Bankr. D. Del. August 25, 2010); In re American Safety Razor Company, LLC, et al., No. 10-12351 (MFW) (Bankr. D. Del. July 28, 2010); In re Magic Brands, LLC, et al., No. 10-11310 (BLS) (Bankr. D. Del. April 21, 2010); In re Regent Communications, Inc., No. 10-10632 (KG) (Bankr. D. Del. March 1, 2010); In re Specialty Packaging Holdings, Inc., No. 10-10142 (KG) (Bankr. D. Del. January 20, 2010); In re International Aluminum Corporation, No. 10-10003 (MFW) (Bankr. D. Del. January 4, 2010); In re Triple Crown Media, Inc., No. 09-13181 (BLS) (Bankr. D. Del. September 14, 2009); In re Cooper-Standard Holdings Inc., No. 09-12743 (PJW) (Bankr. D. Del. August 3, 2009); In re Visteon Corporation, et al., No. 09-11786 (CSS) (Bankr. D. Del. May 28, 2009); In re Source Interlink Companies, Inc., No. 09-11424 (KG) (Bankr. D. Del. April 27, 2009); In re HPG International, Inc., et al., No. 09-10231 (Bankr. D. Del. January 23, 2009).

### **Notice**

23. Notice of the first day hearing on this Application has been provided to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee for the District of Delaware; (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims; (c) the agent for the proposed postpetition financing agreement; (d) the administrative agent for Local Insight Regatta Holdings, Inc.'s prepetition senior credit facility; (e) the indenture trustee for Local Insight Regatta Holdings, Inc.'s 11% Senior Subordinated Notes due 2017; (f) the *ad hoc* committee of noteholders of Local Insight Regatta Holdings, Inc.'s 11% Senior Subordinated Notes due 2017; (g) Welsh, Carson, Anderson & Stowe; (h) the Banks; (i) the Internal Revenue Service; (j) the Securities and Exchange Commission; and (k) the Office of the United States Attorney General for the

State of Delaware. Following the first day hearing in these cases, the Application and, any order entered on the Application, will be given to: (a) the foregoing parties; (b) those persons who have requested notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure; and (c) any other persons as required by Del. Bankr. LR 9013-1(m). The Debtors submit that, in light of the relief requested, no other or further notice need be provided..

**No Prior Request**

24. No prior motion for the relief requested herein has been made to this or any other Court.

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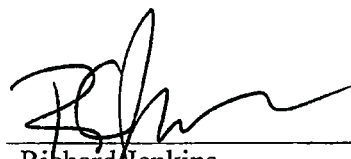
WHEREFORE, for the reasons set forth herein and in the Kass Declaration, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as the Court deems appropriate.

Dated: November 17, 2010

By:

Name:

Title:

A handwritten signature in black ink, appearing to read 'Richard Jenkins', is written over a horizontal line.

Richard Jenkins

Interim Chief Financial Officer

Local Insight Media Holdings, Inc.

## **EXHIBIT A**

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

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In re:	)	Chapter 11
	)	
LOCAL INSIGHT MEDIA HOLDINGS, INC., <u>et al.</u> , <sup>1</sup>	)	Case No. 10-13677
	)	
Debtors.	)	Joint Administration Requested
	)	
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**ORDER AUTHORIZING THE RETENTION AND  
EMPLOYMENT OF KURTZMAN CARSON CONSULTANTS LLC AS NOTICE  
AND CLAIMS AGENT FOR THE DEBTORS AND DEBTORS IN  
POSSESSION *NUNC PRO TUNC* TO THE PETITION DATE**

Upon the application, dated November 17, 2010 (the "Application"), of the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, "Local Insight" or the "Debtors"), for entry of an order (this "Order") authorizing the retention of Kurtzman Carson Consultants LLC ("KCC") as notice and claims agent in these chapter 11 cases; and upon the *Declaration of Richard C. Jenkins, the Debtors' Interim Chief Financial Officer, in Support of First Day Motions* (the "First Day Declaration"); and upon the Declaration of Albert H. Kass, Vice President of Corporate Restructuring Services at KCC, in support of the Application; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b); and

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<sup>1</sup> The Debtors, together with the last four digits of each of the Debtors' federal tax identification number (if applicable), are: Local Insight Media Holdings, Inc. (2696); Local Insight Media Holdings II, Inc. (8133); Local Insight Media Holdings III, Inc. (8134); LIM Finance Holdings, Inc. (8135); LIM Finance, Inc. (8136); LIM Finance II, Inc. (5380); Local Insight Regatta Holdings, Inc. (6735); The Berry Company LLC (7899); Local Insight Listing Management, Inc. (7524); Regatta Investor Holdings, Inc. (8137); Regatta Investor Holdings II, Inc. (8138); Regatta Investor LLC; Regatta Split-off I LLC; Regatta Split-off II LLC; Regatta Split-off III LLC; Regatta Holding I, L.P.; Regatta Holding II, L.P.; and Regatta Holding III, L.P. For the purpose of these chapter 11 cases, the service address for all Debtors is: 188 Inverness Drive West, Suite 800, Englewood, CO 80112.

the Court having found that venue of this proceeding and this Application in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; and the Court having found that the Debtors' notice of the Application and opportunity for a hearing on the Application was appropriate and no other notice need be provided; and the Court having reviewed the Application and having heard statements in support of the relief requested therein at a hearing held before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and upon all the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Application is granted.
2. The Debtors are authorized to retain and employ KCC as their notice and claims agent in accordance with the Application and subject to the terms of the Services Agreement.<sup>2</sup>
3. The terms of the Services Agreement are approved.
4. KCC is authorized to perform the services set forth in the Application and the Services Agreement.
5. Without further order of this Court, the Debtors are authorized to pay KCC's fees and expenses as set forth in the Services Agreement in the ordinary course of business and without the necessity of KCC filing fee applications with this Court; provided, however, that KCC shall provide copies of its invoices to the Office of the United States Trustee and any official committee of creditors appointed in these chapter 11 cases.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Application.

6. Pursuant to section 503(b)(1)(A) of the Bankruptcy Code, the fees and expenses of KCC incurred pursuant to the Services Agreement shall be an administrative expense of the Debtors' estates.

7. KCC may hold its retainer under the Services Agreement during the chapter 11 cases as security for the payment of expenses only under the Services Agreement.

8. In addition to the services set forth in the Application and the Services Agreement, KCC is authorized to provide other noticing, claims processing, solicitation and administrative services the Debtors may request from time to time; provided, however, that KCC shall not provide disbursement services under any plan prior to the effective date of such plan absent further order of the Court; provided further, that the services to be provided by KCC that are not specifically described in the Application shall be limited to ministerial services incident to the firm's role as claims and noticing agent.

9. KCC is appointed as agent for the office of the Clerk of this Court (the "Clerk's Office") and, as such, is designated as the authorized repository for all proofs of claims filed in these chapter 11 cases and is authorized and directed to maintain official claims registers for each of the Debtors and to provide the Clerk's Office with a certified duplicate thereof as the Clerk's Office may direct.

10. Notwithstanding any provision in the Services Agreement, the Debtors shall indemnify KCC solely to the extent set forth below:

- a. Subject to the provisions of subparagraphs (c) and (d) below, the Debtors shall indemnify KCC for any claim arising from, related to or in connection with their performance of the services described in the Services Agreement;
- b. KCC shall not be entitled to indemnification, contribution or reimbursement for services other than the services to be provided under the Services Agreement, unless such services and the indemnification, contribution or reimbursement therefore are approved by the Court;



- c. Notwithstanding anything to the contrary in the Services Agreement, the Debtors shall have no obligation to indemnify any person, or provide contribution or reimbursement to any person, for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen primarily from that person's gross negligence or willful misconduct; (ii) for a contractual dispute in which the Debtors allege breach of KCC's contractual obligations under the Services Agreement unless the Court determines that indemnification, contribution or reimbursement would be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003); or (ii) settled prior to a judicial determination as to that person's gross negligence, willful misconduct, breach of fiduciary duty, or bad faith or self dealing but determined by this Court, after notice and a hearing, to be a claim or expense for which that person should not receive indemnity, contribution, or reimbursement under the terms of the Services Agreement as modified by the Application and Order;
- d. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal) and (ii) the entry of an order closing these chapter 11 cases, KCC believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the indemnification agreement (as modified by this Order), including without limitation the advancement of defense costs, KCC must file an application before this Court, and the Debtors may not pay any such amounts before the entry of an order by this Court approving the payment. This subparagraph (d) is intended only to specify the period of time under which the court shall have jurisdiction over any request for fees and expenses for indemnification, contribution or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify KCC;
- e. Notwithstanding anything contained in Section IX of the Services Agreement to the contrary, KCC's liability shall not be limited to (i) the total amount billed or billable to the Debtors for the portion of the particular work which gave rise to the loss or damage or (ii) the total amount billed to the Debtors and paid to KCC for the services contemplated under the Services Agreement.

11. If these cases convert to cases under chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services until the claims filed in the chapter 11 cases have been completely processed; if claims agent representation is necessary in the converted chapter 7

cases, KCC will continue to be paid in accordance with section 156(c) of title 28 of the United States Code under the terms set out in the Services Agreement and this Order.

12. The relief requested herein shall continue to apply to any of the Debtors' affiliates and their respective estates that subsequently commence chapter 11 cases without the need for any further requests or motions. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

13. The Debtors and KCC are authorized and empowered to take all actions necessary to implement the relief granted in this Order in accordance with the Application.

Wilmington, Delaware

Date: \_\_\_\_\_, 2010

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United States Bankruptcy Judge

**EXHIBIT 1**



## KCC AGREEMENT FOR SERVICES

This Agreement is entered into as of the 3<sup>rd</sup> day of November, 2010, between Regatta Investor Holdings, Inc. (together with its affiliates and subsidiaries, the "Company"),<sup>1</sup> and Kurtzman Carson Consultants LLC (together with its affiliates and subcontractors, "KCC").

In consideration of the premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### Terms and Conditions

#### I. SERVICES

A. KCC agrees to provide the Company with consulting services regarding noticing, claims management and reconciliation, plan solicitation, balloting, disbursements and any other services agreed upon by the parties or otherwise required by applicable law, government regulations or court rules or orders.

B. KCC further agrees to provide (i) computer software support and training in the use of the support software, (ii) KCC's standard reports as well as consulting and programming support for the Company requested reports, (iii) program modifications, (iv) data base modifications, and/or (v) other features and services in accordance with the fees outlined in a pricing schedule provided to the Company (the "KCC Fee Structure").

C. Without limiting the generality of the foregoing, KCC will, upon request by the Company, (i) provide a communications plan including, but not limited to, preparation of communications materials, dissemination of information and a call center staffed by KCC and/or (ii) provide confidential on-line workspaces or virtual data rooms and publish documents to such workspaces or data rooms (which publication shall not be deemed to violate the confidentiality provisions of this Agreement).

D. The price listed for each service in the KCC Fee Structure represents a bona fide proposal for such services, which may be accepted in whole or in part. Services will be provided when requested by the Company or required by applicable law, government regulations or court rules or orders. Services are mutually exclusive and are deemed delivered and accepted by the Company when provided by KCC.

E. The Company acknowledges and agrees that KCC will often take direction from the Company's representatives, employees, agents and/or professionals (collectively, the "Company Parties") with respect to the services being provided under this Agreement. The parties agree that KCC may rely upon, and the Company agrees to be bound by, any requests, advice or information provided by the Company Parties to the same extent as if such requests, advice or information were provided by the Company. The Company agrees and understands that KCC shall not provide the Company or any other party with any legal advice.

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<sup>1</sup> The term Company shall include, to the extent applicable, the Company, as debtor and debtor in possession in its chapter 11 case, together with any affiliated debtors and debtors in possession whose chapter 11 cases are jointly administered with the Company's chapter 11 case.

## KCC AGREEMENT FOR SERVICES

### II. PRICES, CHARGES AND PAYMENT

A. KCC agrees to charge and the Company agrees to pay KCC for its services, expenses and supplies at the rates or prices set by KCC and in effect as of the date of this Agreement in accordance with the KCC Fee Structure. KCC's prices are generally adjusted periodically to reflect changes in the business and economic environment. KCC reserves the right to reasonably increase its prices, charges and rates annually. If any price increases exceed 2%, KCC will give thirty (30) days written notice to the Company.

B. The Company agrees to pay the reasonable out of pocket expenses incurred by KCC in connection with services provided under this Agreement, including but not limited to, transportation, lodging, and meals. Upon the Company's request, KCC will promptly provide an itemized account of such expenses.

C. In addition to all fees for services and expenses hereunder, the Company shall pay to KCC (i) any fees and expenses related to, arising out of, or as a result of any error or omission made by the Company or the Company Parties, as mutually determined by KCC and the Company, and (ii) all taxes that are applicable to this Agreement or that are measured by payments made under this Agreement and are required to be collected by KCC or paid by KCC to a taxing authority (other than taxes based on KCC's income).

D. Where the Company requires services that are unusual or beyond the normal business practices of KCC, or are otherwise not provided for in the KCC Fee Structure, the cost of such services shall be charged to the Company at a competitive rate that will be mutually agreed to by the Company and KCC.

E. KCC agrees to submit its invoices to the Company monthly and the Company agrees that the amount invoiced will be due and payable thirty (30) days following its receipt of the invoice. However, where total fees and expenses are expected to exceed \$25,000 in any single month, KCC may require advance payment from the Company due and payable upon demand and prior to the performance of services hereunder. If any amount is unpaid as of thirty (30) days from the receipt of the invoice, KCC will be entitled to assess a late charge, calculated as one and one-half percent (1-1/2%) of the total amount unpaid every thirty (30) days. In the case of a dispute in the invoice amount, the Company shall give written notice to KCC within twenty (20) days of receipt of the invoice by the Company. The undisputed portion of the invoice will remain due and payable immediately upon receipt of the invoice. Late charges shall not accrue on any amounts in dispute. Unless otherwise agreed to in writing, the fees for print notice and media publication (including commissions) as well as certain expenses must be paid at least three (3) days in advance of those fees and expenses being incurred.

F. In the event that the Company files for protection pursuant to chapter 11 of the United States Bankruptcy Code (a "Chapter 11 Filing"), the parties intend that KCC shall be employed pursuant to 28 U.S.C. § 156(c) ("Section 156(c)") and that all fees and expenses due under this Agreement shall be paid as administrative expenses of the Company's chapter 11 estate. As soon as practicable following a Chapter 11 Filing (and otherwise in accordance with applicable law and rules and orders of the Bankruptcy Court), the Company shall cause a motion to be filed with

## KCC AGREEMENT FOR SERVICES

the Bankruptcy Court seeking entry of an order pursuant to Section 156(c) approving this Agreement in its entirety (the "Section 156(c) Order"). The form and substance of the motion and the Section 156(c) Order shall be reasonably acceptable to KCC. If any Company chapter 11 case converts to a case under chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services in accordance with Section 156(c) and under the terms of this Agreement.

G. To the extent permitted by applicable law, KCC shall receive a retainer in the amount of \$100,000.00 (the "Retainer") that may be held by KCC as security for the Company's payment obligations under the Agreement. The Retainer is due upon execution of this Agreement. KCC shall be entitled to hold the Retainer until the termination of the Agreement. Following termination of the Agreement, KCC shall return to the Company any amount of the Retainer that remains following application of the Retainer to the payment of unpaid invoices.

### III. RIGHTS OF OWNERSHIP

A. The parties understand that the software programs and other materials furnished by KCC pursuant to this Agreement and/or developed during the course of this Agreement by KCC are the sole property of KCC. The term "program" shall include, without limitation, data processing programs, specifications, applications, routines, and documentation. The Company agrees not to copy or permit others to copy the source code from the support software or any other programs or materials furnished pursuant to this Agreement.

B. The Company further agrees that any ideas, concepts, know-how or techniques relating to data processing or KCC's performance of its services developed or utilized during the term of this Agreement by KCC shall be the exclusive property of KCC. Fees and expenses paid by the Company do not vest in the Company any rights in such property, it being understood that such property is only being made available for the Company's use during and in connection with the services provided by KCC under this Agreement.

### IV. NON-SOLICITATION

The Company agrees that neither it nor its subsidiaries or other affiliated companies shall directly or indirectly solicit for employment, employ or otherwise retain employees of KCC during the term of this Agreement and for a period of twelve (12) months after termination of this Agreement unless KCC provides prior written consent to such solicitation or retention; provided, however, that the Company will not be prevented from employing any such person who contacts the Company as a result of a general advertising campaign.

### V. CONFIDENTIALITY

Each of KCC and the Company, on behalf of themselves and their respective employees, agents, professionals and representatives, agrees to keep confidential all non-public records, systems, procedures, software and other information received from the other party in connection with the services provided under this Agreement; provided, however, that if either party reasonably believes that it is required to produce any such information by order of any governmental agency or other regulatory body it may, upon not less than five (5) business days' written notice to the other party, release the required information.

## KCC AGREEMENT FOR SERVICES

### VI. SUSPENSION OF SERVICE AND TERMINATION

A. This Agreement shall remain in force until terminated or suspended by either party (i) upon thirty (30) days' written notice to the other party or (ii) immediately upon written notice for Cause (defined herein). As used herein, the term "Cause" means (i) gross negligence or willful misconduct of KCC that causes serious and material harm to the Company's reorganization under chapter 11 of the Bankruptcy Code, (ii) the failure of the Company to pay KCC invoices for more than sixty (60) days from the date of invoice, or (iii) the accrual of invoices or unpaid services in excess of the retainer held by KCC where KCC reasonably believes it will not be paid.

B. In the event that this contract is terminated, regardless of the reason for such termination, KCC shall coordinate with the Company and, to the extent applicable, the clerk of the Bankruptcy Court, to maintain an orderly transfer of record keeping functions and KCC shall provide all necessary staff, services and assistance required for an orderly transfer. The Company agrees to pay for such services in accordance with KCC's then existing prices for such services. If such termination occurs following entry of the Section 156(c) Order, the Company shall immediately seek entry of an order (in form and substance reasonably acceptable to KCC) that discharges KCC from service and responsibility under Section 156(c) and this Agreement.

C. Any data, programs, storage media or other materials furnished by the Company to KCC or received by KCC in connection with the services provided under the terms of this Agreement may be retained by KCC until the services provided are paid for, or until this Agreement is terminated with the services paid in full. The Company shall remain liable for all fees and expenses imposed under this Agreement as a result of data or physical media maintained or stored by KCC. KCC shall promptly dispose of the data and media in the manner requested by the Company. If the Company has not utilized KCC's services under this Agreement for a period of at least ninety (90) days, KCC may dispose of the Company's data or media after giving the Company thirty (30) days' notice. Notwithstanding any term herein to the contrary, following entry of the Section 156(c) Order, the disposition of any data or media by KCC shall be in accordance with any applicable instructions from the clerk of the Bankruptcy Court, local Bankruptcy Court rules and orders of the Bankruptcy Court.

### VII. SYSTEM IMPROVEMENTS

KCC strives to provide continuous improvements in the quality of service to its clients. KCC, therefore, reserves the right to make changes in operating procedure, operating systems, programming languages, general purpose library programs, application programs, time period of accessibility, types of terminal and other equipment and the KCC data center serving the Company, so long as any such changes do not materially interfere with ongoing services provided to the Company in connection with the Company's chapter 11 case.



## KCC AGREEMENT FOR SERVICES

### VIII. BANK ACCOUNTS

At the Company's request, KCC shall be authorized to establish accounts with financial institutions in the name of and as agent for the Company. To the extent that certain financial products are provided to the Company pursuant to KCC's agreement with financial institutions, KCC may receive compensation from such financial institutions for the services KCC provides pursuant to such agreement.

### IX. LIMITATIONS OF LIABILITY AND INDEMNIFICATION

- A. The Company shall indemnify and hold KCC, its affiliates, members, directors, officers, employees, consultants, subcontractors and agents (collectively, the "Indemnified Parties") harmless, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, judgments, liabilities and expenses (including reasonable counsel fees and expenses) (collectively, "Losses") resulting from, arising out of or related to KCC's performance under this Agreement. Such indemnification shall exclude Losses resulting from KCC's negligence or willful misconduct. Without limiting the generality of the foregoing, Losses include any liabilities resulting from claims by any third-parties against any Indemnified Party. The Company shall notify KCC in writing promptly upon the assertion, threat or commencement of any claim, action, investigation or proceeding that the Company becomes aware of with respect to the services provided by KCC under this Agreement. The Company's indemnification obligations hereunder shall survive the termination of this Agreement.
- B. Except as provided herein, KCC's liability to the Company or any person making a claim through or under the Company for any Losses of any kind, even if KCC has been advised of the possibility of such Losses, whether direct or indirect and unless due to gross negligence or willful misconduct of KCC, shall be limited to the total amount billed to the Company and actually paid to KCC for the services contemplated under the Agreement. In no event shall KCC be liable for any indirect, special or consequential damages such as loss of anticipated profits or other economic loss in connection with or arising out of the services provided for in this Agreement.
- C. The Company is responsible for the accuracy of the programs, data and information it or any Company Party submits for processing to KCC and for the output of such information. KCC does not verify information provided by the Company and, with respect to the preparation of schedules and statements, all decisions are at the sole discretion and direction of the Company. The Company reviews and approves all schedules and statements filed on behalf of, or by, the Company; KCC bears no responsibility for the accuracy or contents therein. The Company agrees to initiate and maintain backup files that would allow the Company to regenerate or duplicate all programs and data submitted by the Company to KCC.
- D. The Company agrees that except as expressly set forth herein, KCC makes no representations or warranties, express or implied, including, but not limited to, any implied or express warranty of merchantability, fitness or adequacy for a particular purpose or use, quality, productiveness or capacity.





## KCC AGREEMENT FOR SERVICES

### X. FORCE MAJEURE

Whenever performance by KCC of any of its obligations hereunder is materially prevented or impacted by reason of any act of God, strike, lock-out or other industrial or transportation disturbance, fire, lack of materials, law, regulation or ordinance, war or war condition, or by reason of any other matter beyond KCC's reasonable control, then such performance shall be excused and this Agreement shall be deemed suspended during the continuation of such prevention and for a reasonable time thereafter.

### XI. INDEPENDENT CONTRACTORS

The Company and KCC are and shall be independent contractors of each other and no agency, partnership, joint venture or employment relationship shall arise, directly or indirectly, as a result of this Agreement.

### XII. NOTICES

All notices and requests in connection with this Agreement shall be given or made upon the respective parties in writing and shall be deemed as given as of the third day following the day it is deposited in the U.S. Mail, postage pre-paid or on the day it is given if sent by facsimile or electronic mail or on the day after the day it is sent if sent by overnight courier to the appropriate address set forth below:

Kurtzman Carson Consultants LLC  
2335 Alaska Ave.  
El Segundo, CA 90245  
Attn: Drake D. Foster  
Tel: (310) 823-9000  
Fax: (310) 823-9133  
E-Mail: [dfoster@kccllc.com](mailto:dfoster@kccllc.com)

Regatta Investor Holdings, Inc.  
188 Inverness Dr. West, Suite 800  
Englewood, CO 80112  
Attn: John S. Fischer, General Counsel  
Tel: (303) 867-1608  
Fax: (303) 867-1601  
E-Mail: [john.fischer@localinsightmedia.com](mailto:john.fischer@localinsightmedia.com)

Or to such other address as the party to receive the notice or request so designates by written notice to the other.

### XIII. APPLICABLE LAW

The validity, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California.

### XIV. ENTIRE AGREEMENT/ MODIFICATIONS

Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes and merges all prior proposals, understandings, other agreements, and communications oral and written between the parties relating to the subject matter of this Agreement. Each party represents that it has the authority to enter into this Agreement, and the Agreement is non-dischargeable under any applicable statute or law. If any

## KCC AGREEMENT FOR SERVICES

provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. This Agreement may be modified only by a written instrument duly executed by an authorized representative of the Company and an officer of KCC.

### XV. COUNTERPARTS; EFFECTIVENESS

This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. This Agreement will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, which delivery may be made by exchange of copies of the signature page by facsimile or electronic mail.

### XVI. ASSIGNMENT

This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other.

### XVII. ARBITRATION

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) shall be entered in any court having jurisdiction thereof. For that purpose, the parties hereto consent to the jurisdiction and venue of an appropriate court located in Los Angeles County, State of California.

### XVIII. ATTORNEYS' FEES

In the event that any legal action, including an action for declaratory relief, is brought to enforce the performance or interpret the provisions of this Agreement, the parties agree to reimburse the prevailing party's reasonable attorneys' fees, court costs, and all other related expenses, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which the prevailing party may be entitled.

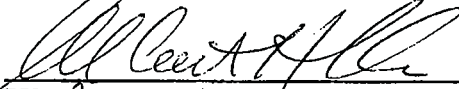
[SIGNATURE PAGE FOLLOWS]




## KCC AGREEMENT FOR SERVICES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the first date mentioned above.

Kurtzman Carson Consultants LLC

  
BY: ALBERT H. KEES      DATE: 11/3/2010  
TITLE: VICE PRESIDENT, CORPORATE RESTRUCTURING

Regatta Investor Holdings, Inc.

  
BY: John S. Fischer      DATE: 11/3/2010  
TITLE: General Counsel

**EXHIBIT B**

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

In re:

**Local Insight Media Holdings, Inc.**

Debtors.<sup>1</sup>

)  
) Chapter 11  
)  
) Case No. 10-13677 (\_\_\_\_)  
)  
)  
) Joint Administration Requested  
)  
)  
)

**DECLARATION OF ALBERT H. KASS IN SUPPORT OF THE  
APPLICATION OF LOCAL INSIGHT MEDIA HOLDINGS, INC., ET AL.  
FOR ENTRY OF AN ORDER AUTHORIZING THE RETENTION AND  
EMPLOYMENT OF KURTZMAN CARSON CONSULTANTS LLC AS  
NOTICE AND CLAIMS AGENT FOR THE DEBTORS AND DEBTORS IN  
POSSESSION *NUNC PRO TUNC* TO THE PETITION DATE**

I, Albert H. Kass, under penalty of perjury, declare as follows:

1. I am the Vice President of Corporate Restructuring Services of Kurtzman Carson Consultants LLC ("KCC"), whose offices are located at 2335 Alaska Avenue, El Segundo, California 90245, telephone number (310) 823-9000. The matters set forth herein are made of my own personal knowledge and, if called and sworn as a witness, I could and would testify competently thereto.

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<sup>1</sup> The Debtors, together with the last four digits of each of the Debtors' federal tax identification number (if applicable), are: Local Insight Media Holdings, Inc. (2696); Local Insight Media Holdings II, Inc. (8133); Local Insight Media Holdings III, Inc. (8134); LIM Finance Holdings, Inc. (8135); LIM Finance, Inc. (8136); LIM Finance II, Inc. (5380); Local Insight Regatta Holdings, Inc. (6735); The Berry Company LLC (7899); Local Insight Listing Management, Inc. (7524); Regatta Investor Holdings, Inc. (8137); Regatta Investor Holdings II, Inc. (8138); Regatta Investor LLC; Regatta Split-off I LLC; Regatta Split-off II LLC; Regatta Split-off III LLC; Regatta Holding I, L.P.; Regatta Holding II, L.P.; and Regatta Holding III, L.P. For the purpose of these chapter 11 cases, the service address for all Debtors is: 188 Inverness Drive West, Suite 800, Englewood, CO 80112.

2. This Declaration is made in support of the Application of Local Insight Media Holdings, Inc. et. al. for Entry of an Order Authorizing the Retention and Employment of Kurtzman Carson Consultants LLC as Notice and Claims Agent to the above captioned Debtors (collectively, the “Debtors”), which has been filed contemporaneously herewith (the “Application”).

3. As agent and custodian of the Court records pursuant to section 156(c) of title 28 of the United States Code, KCC will perform, at the request of the Office of the Clerk of the Court (the “Clerk’s Office”), the noticing and claims related services specified in the Application. In addition, at the Debtors’ request, KCC will perform such other noticing, claims, technical and support services specified in the Application.

4. KCC is one of the country’s leading chapter 11 administrators, with experience in noticing, claims administration, solicitation, balloting and facilitating other administrative aspects of chapter 11 cases. Indeed, KCC has developed efficient and cost-effective methods to handle properly the voluminous mailings associated with the noticing, claims processing and balloting portions of chapter 11 cases to ensure the orderly and fair treatment of creditors, equity security holders and all parties in interest. Further, KCC will work with the Clerk’s Office to ensure that such methodology conforms with all of the Court’s procedures, the Local Rules and the provisions of any orders entered by this Court.

5. KCC has substantial experience in the matters of this size and complexity, and has acted as the official notice and claims agent in many large bankruptcy cases pending in this District. See, e.g., In re OTC Holdings Corporation, No. 10-12636 (BLS) (Bankr. D. Del. August 25, 2010); In re American Safety Razor Company, LLC, et al., No. 10-12351 (MFW) (Bankr. D. Del. July 28, 2010); In re Magic Brands, LLC, et al., No. 10-11310 (BLS) (Bankr. D.

Del. April 21, 2010); In re Regent Communications, Inc., No. 10-10632 (KG) (Bankr. D. Del. March 1, 2010); In re Specialty Packaging Holdings, Inc., No. 10-10142 (KG) (Bankr. D. Del. January 20, 2010); In re International Aluminum Corporation, No. 10-10003 (MFW) (Bankr. D. Del. January 4, 2010); In re Triple Crown Media, Inc., No. 09-13181 (BLS) (Bankr. D. Del. September 14, 2009); In re Cooper-Standard Holdings Inc., No. 09-12743 (PJW) (Bankr. D. Del. August 3, 2009); In re Visteon Corporation, et al., No. 09-11786 (CSS) (Bankr. D. Del. May 28, 2009); In re Source Interlink Companies, Inc., No. 09-11424 (KG) (Bankr. D. Del. April 27, 2009); In re HPG International, Inc., et al., No. 09-10231 (Bankr. D. Del. January 23, 2009).

6. KCC represents, among other things, the following:

- a. KCC is not a creditor of the Debtors;
- b. KCC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the notice and claims agent in these chapter 11 cases;
- c. By accepting employment in these chapter 11 cases, KCC waives any rights to receive compensation from the United States government;
- d. In its capacity as the notice agent and claims agent in these chapter 11 cases, KCC will not be an agent of the United States and will not act on behalf of the United States;
- e. KCC will not employ any past or present employees of the Debtors in connection with its work as the notice and claims agent in these chapter 11 cases;
- f. In its capacity as notice and claims agent in these chapter 11 cases, KCC will not intentionally misrepresent any fact to any person;
- g. KCC shall be under the supervision and control of the Clerk's Office with respect to the receipt and recordation of claims and claim transfers; and
- h. None of the services provided by KCC as notice and claims agent shall be at the expense of the Clerk's Office.

7. The Debtors have many creditors, and accordingly, KCC may have rendered and may continue to render services to certain of these creditors. KCC has not and will not represent

the separate interests of any such creditor in these cases. Additionally, KCC employees may, in the ordinary course of their personal affairs, have relationships with certain creditors of the Debtors. For example, one or more of KCC's employees may have obligations outstanding with financial institutions that are creditors of the Debtors or may have used the Debtors' services.

8. Although the Debtors do not propose to retain KCC under section 327 of the Bankruptcy Code,<sup>2</sup> KCC has nonetheless conducted a conflicts analysis and, to the best of its knowledge, KCC neither holds nor represents an interest materially adverse to the Debtors' estates nor has a material connection to the Debtors, their creditors or their related parties with respect to any matter for which KCC will be employed. KCC may have relationships with certain of the Debtors' creditors or parties in interest as vendors or in connection with cases in which KCC serves or has served in a neutral capacity as claims and noticing agent or class action claims administrator. To the best of my knowledge, such relationships are materially unrelated to these chapter 11 cases. In addition, KCC personnel may have relationships with some of the Debtors' creditors or other parties in interest. However, to the best of my knowledge, such relationships, to the extent they exist, are of a personal financial nature and completely unrelated to these chapter 11 cases. KCC has and will continue to represent clients in matters materially unrelated to these chapter 11 cases. In addition, KCC has had and will continue to have relationships in the ordinary course of its business with certain vendors, professionals and other parties in interest that may be involved in the Debtors' cases in matters unrelated to these cases.

9. KCC is an indirect subsidiary of Computershare Limited. Computershare Limited is a financial services and technologies provider for the global securities industry. Within the Computershare corporate structure, KCC operates as a separate, segregated business unit. As

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Application.



such, any relationships that Computershare Limited and its affiliates maintain do not create an interest of KCC that would be materially adverse to the Debtors' estates or any class of creditors or equity security holders. Administar, a claims and noticing agent, is also an indirect subsidiary of Computershare Limited. On June 10, 2009, the marketing and operation of Administar's restructuring services were consolidated under KCC.

10. The Debtors have sought to retain Kirkland & Ellis LLP ("K&E") as counsel in these chapter 11 cases. Jonathan A. Carson, who was employed as a K&E associate between 1999 and 2001, co-founded KCC and is currently Chief Marketing Officer and Managing Director of KCC. Mr. Carson's work at K&E was unrelated to the Debtors or these chapter 11 cases. Michael J. Frishberg, who was a partner at K&E, is employed by KCC as the Vice President of Business Development. Benjamin Schrag, who was an associate at K&E, is employed by KCC as Director of Restructuring Services. Furthermore, I was a former K&E associate prior to joining KCC. My work at K&E also was unrelated to these Debtors or these chapter 11 cases. Isidro Panizales, a former K&E legal assistant presently works for KCC. Mr. Panizales' work at K&E also was unrelated to the Debtors or to these chapter 11 cases.

11. To the best of my knowledge and except as disclosed herein, KCC neither holds nor represents any interest materially adverse to the Debtors' estates in connection with any matter on which it would be employed and that it is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, as required by section 327(a) of the Bankruptcy Code. KCC will supplement its disclosure to the Court if any facts or circumstances are discovered that would require disclosure.

12. In performing the services of notice and claims agent, KCC will charge the Debtors the rates set forth in the Services Agreement, which is annexed as Exhibit 1 to Exhibit A to the Application.

13. The proposed compensation arrangement is consistent with, and typical of, arrangements of KCC and its competitor firms to provide claims and noticing agent services in chapter 11 cases.

14. KCC requests that the Debtors pay their fees and expenses in accordance with the terms of the Services Agreement. KCC will submit invoices summarizing, in reasonable detail, the services and expenses for which compensation is sought.

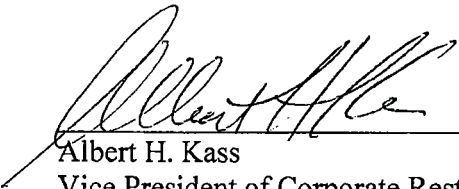
15. KCC will comply with all requests of the Clerk's Office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of section 156(c) of title 28 of the United States Code.

16. Should KCC discover any new relevant facts or relationships bearing on the matters described herein during the period of its retention, KCC will use reasonable efforts to file promptly a supplement affidavit.

*[Remainder of Page Intentionally Left Blank]*

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on Nov 9, 2010.

  
\_\_\_\_\_  
Albert H. Kass  
Vice President of Corporate Restructuring  
Services  
Kurtzman Carson Consultants LLC