

(the "Plan"). On January 2, 2002 (the "Effective Date"), the Plan became effective by its terms, and all but 23 of the Debtors emerged from bankruptcy. On or about December 11, 2002, the Court entered an order (D.I. 9823) dismissing for cause the chapter 11 cases of the remaining 23 Debtors.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, Article XII of the Plan, Section III.J of the Confirmation Order and paragraph 12 of the Court's stipulation and order dated December 4, 2001 (D.I. 8699) (the "Prior Stipulation and Order"). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

The Quarterly Fee Dispute and Proposed Settlement

4. As the Court is aware, pursuant to 28 U.S.C. § 1930(a)(6), "a quarterly fee shall be paid to the United States trustee . . . in each case under chapter 11 of title 11 of each quarter (including any fraction thereof) until the case is converted or dismissed, whichever occurs first." The amount of the quarterly fee (the "Quarterly Fee") for each debtor is an amount ranging from \$250 to \$10,000, based upon the amount of "disbursements" made by the debtor during the calendar quarter at issue. See id.

5. During these chapter 11 cases and prior to the Effective Date, the Debtors operated a consolidated cash management and disbursement system for the more than 800 Debtors. Under this system, substantially all of the payments that were made by the Debtors to their creditors, employees and other third parties were paid by a limited number of Debtors, with associated intercompany transactions to reflect the payments that were made by one Debtor on behalf of another. Since the Petition Date, the Debtors calculated and paid Quarterly Fees to the Office of the United States Trustee (the "U.S. Trustee") on the basis of the actual payments made by each Debtor.

6. In 2001, the U.S. Trustee advised the Debtors that it contested the Debtors' methodology for calculating the amount of Quarterly Fees to be paid because the U.S. Trustee believed that "disbursements" for Quarterly Fee purposes should be attributed to the Debtor on whose behalf a payment was made, as distinguished from the Debtor that actually made the payment. The U.S. Trustee indicated that, under its methodology, substantial additional amounts of Quarterly Fees, in excess of \$10 million, were due and owing. On November 6, 2001, the U.S. Trustee filed an objection (D.I. 8450) to confirmation of the Plan on the basis that additional pre-confirmation Quarterly Fees should be paid. The Debtors disputed the U.S. Trustee's position.

7. The parties entered into negotiations to resolve the U.S. Trustee's objection to confirmation of the Plan. On or about December 4, 2001, the U.S. Trustee and the Debtors entered into, and the Court approved, the Prior Stipulation and Order. A copy of the Prior Stipulation and Order is attached hereto as Exhibit B. The Prior Stipulation and Order: (a) preserved the Quarterly Fee issues set forth in the U.S. Trustee's objection to confirmation; (b) required the Debtors to issue, in connection with their emergence from bankruptcy, an irrevocable \$4,000,000 letter of credit in favor of the U.S. Trustee (the "Letter of Credit") to secure the payment of disputed pre-confirmation Quarterly Fees; and (c) held the parties' dispute regarding Quarterly Fees in abeyance.

8. On various dates from June 11, 2002 through March 29, 2004, the Court, on motions filed by the Reorganized Debtors, entered eight orders (D.I. 9460, 9631, 9826, 10015, 10172, 10258, 10309 and 10350) (the "Case Closing Orders") closing the chapter 11 cases of all but nine of the Debtors that emerged from bankruptcy pursuant to the Plan. The

Case Closing Orders required, among other things, that the amount of the Letter of Credit be increased to \$7,913,750.

9. Since the entry of the Prior Stipulation and Order, the Reorganized Debtors have continued to pay the undisputed amount of Quarterly Fees owed, and the parties have engaged in further settlement negotiations regarding the U.S. Trustee's disputed claim for additional Quarterly Fees. As a result of those negotiations, the parties recently reached a settlement regarding the amount of Quarterly Fees to be paid. The U.S. Trustee and the Reorganized Debtors have memorialized their settlement in the Stipulation.

10. The principal terms of the Stipulation are:¹

(a) Payment. By April 15, 2005, the Reorganized Debtors must deliver to the U.S. Trustee a check in the amount of \$9,040,000 (the "Payment") in compromise, settlement and satisfaction of any and all claims of the U.S. Trustee for additional Quarterly Fees accruing for all periods from the second quarter of 1999 through and including the fourth quarter of 2004. (Stipulation ¶ 1.)

(b) Releases. Upon receipt of the Payment, the U.S. Trustee will be deemed to release and discharge the Debtors, their chapter 11 estates, the Reorganized Debtors and their respective affiliates, subsidiaries, predecessors, successors, employees, agents, attorneys, directors, officers, shareholders, administrators, representatives and assigns from any and all further claims for Quarterly Fees with respect to periods from the second quarter of 1999 through and including the fourth quarter of 2004, including

¹ The summary of the terms of the Stipulation set forth herein is for the convenience of the Court and parties-in-interest. In the event that the terms of the Stipulation and the summary conflict in any manner, the terms of the Stipulation shall govern.

any further claims to make draws in respect of such Quarterly Fees under the Letter of Credit. Upon delivery of the Payment, the Debtors, their chapter 11 estates, the Reorganized Debtors and their respective affiliates, subsidiaries, predecessors, successors, employees, agents, attorneys, directors, officers, shareholders, administrators, representatives and assigns shall be deemed to release and discharge the U.S. Trustee, the United States Trustee Program, the United States Trustee System Fund and their respective employees, agents, attorneys, representatives and assigns from any and all further claims related to Quarterly Fees, the Payment, or to quarterly fee payments previously paid by the Debtors or the Reorganized Debtors for Quarterly Fees. (See id.)

(c) Letter of Credit. Upon receipt of the Payment, the U.S. Trustee shall release the Letter of Credit and certain related documents, as specified in the Stipulation, to be held in escrow pending Court approval of the Stipulation. Upon Court approval of the Stipulation, the Reorganized Debtors may take such actions as are necessary and appropriate to cancel the Letter of Credit in its entirety. The U.S. Trustee agrees that it will not seek to draw any amounts under the Letter of Credit after the execution of the Stipulation. (See id. ¶ 2.)

(d) Ongoing Quarterly Fees. The Reorganized Debtors agree to comply with applicable law with respect to Quarterly Fee obligations accruing in the first quarter of 2005 and periods thereafter. (See id. ¶ 3.)

(e) Effect of Nonapproval. If the Court denies approval of the Stipulation, the U.S. Trustee is required to disgorge the amount of the Payment to the Reorganized Debtors, the Reorganized Debtors are required to return the Letter of Credit

and related documents to the U.S. Trustee, and the economic terms of the settlement will be of no force or effect. (See id. ¶ 5.)

Request for Entry of Stipulation

11. By this Motion, the Reorganized Debtors request, pursuant to Bankruptcy Rule 9019, that the Court approve the Stipulation.²

12. Bankruptcy Rule 9019(a) provides that "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a). Before approving a settlement under Bankruptcy Rule 9019, the court must determine that the proposed settlement is in the best interests of the debtor's estate. See Myers v. Martin (In re Martin), 91 F.3d 389, 394 (3d Cir. 1996); In re Marvel Entertainment Group, Inc., 222 B.R. 243, 249 (D. Del. 1998) ("[T]he ultimate inquiry is whether 'the compromise is fair, reasonable, and in the interest of the estate.'"). To reach this determination, the Court must assess the value of the claim that is being settled and balance it against the value to the estate of the approval of the settlement. See Martin, 91 F.3d at 393.

13. The standard by which the Court should evaluate the reasonableness of a proposed compromise and settlement is well established. This standard includes consideration of the following four factors: "(1) the probability of success in litigation; (2) the likely difficulties in collection; (3) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; and (4) the paramount interest of the creditors." Id. at 393; see also Depoister v. Mary M. Holloway Foundation, 36 F.3d 582, 587 (7th Cir. 1994) (affirming an order approving a compromise and settlement of claims against the estate where it was

² The Reorganized Debtors believe that they have authority, pursuant to Section VII.A.2 of the Plan, to settle the disputed claim of the U.S. Trustee without approval the Court. The Reorganized Debtors, however, are seeking the Court's approval out of an abundance of caution.

"unlikely" that the debtor would succeed on the claims, litigation of the claims would involve considerable expense and the claimant would withdraw all claims upon approval of the settlement). Settlements should only be rejected if they fall "below the lowest point in the range of reasonableness." Cosoff v. Rodman (In re W.T. Grant Co.), 699 F.2d 599, 608 (2d Cir. 1983) (quoting Newman v. Stein, 464 F.2d 689, 693 (2d Cir. 1972)).

14. This standard is met here. The Reorganized Debtors and the U.S. Trustee dispute the amount of Quarterly Fees that are payable by the Reorganized Debtors, in addition to the undisputed amounts that already have been paid. The U.S. Trustee has asserted that the Reorganized Debtors' additional Quarterly Fee obligations substantially exceed \$10 million. In light of recent case law in the Third Circuit and this District supporting the U.S. Trustee's legal position, the Reorganized Debtors entered into negotiations with the U.S. Trustee to reach a settlement on an additional amount of Quarterly Fees that would resolve the parties' dispute. Following a lengthy process of settlement meetings, exchanges of information and negotiations extending over more than three years, the Reorganized Debtors and the U.S. Trustee have reached the settlement set forth in the Stipulation.

15. Settlement of this matter will provide several benefits to the Debtors' estates and creditors. First, consummation of the settlement will remove the uncertainty and risk that the U.S. Trustee will prevail in its position that additional Quarterly Fees in excess of \$10 million are due and owing by the Reorganized Debtors. Second, settlement is warranted due to the potential costs of continued litigation. Litigation with the U.S. Trustee would require the Reorganized Debtors to incur substantial additional attorneys' fees and expenses and significant time and effort on the part of the Reorganized Debtors' senior management, and there is no assurance that the results of that litigation would be any more favorable than the terms of the

Stipulation. Furthermore, the settlement resolves the most significant remaining economic dispute in the Debtors' chapter 11 cases.

16. The Reorganized Debtors believe that, under the circumstances, the proposed settlement is fair and reasonable and in the best interests of the Debtors' estates and creditors. Accordingly, the settlement should be approved.

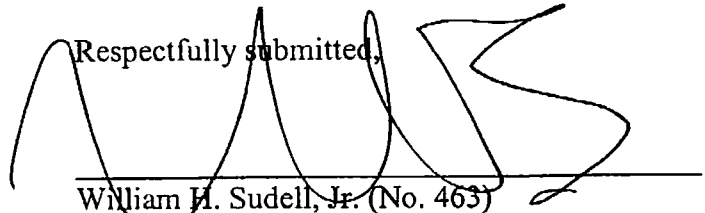
Notice

17. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion has been given to (a) the U.S. Trustee and (b) the other parties on the general service list being maintained in these cases. Concurrently with the filing of this Motion, the Reorganized Debtors are filing a motion to shorten notice of the hearing on this Motion. In light of the nature of the relief requested herein, the Reorganized Debtors submit that no other or further notice is required.

WHEREFORE, the Reorganized Debtors respectfully request that the Court
(a) approve the Stipulation and (b) grant such other and further relief as the Court may deem just
and proper.

Dated: April 14, 2005

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to be 'WHS', is written over a horizontal line.

William H. Sudell, Jr. (No. 463)
Robert J. Dehney (No. 3578)
Eric D. Schwartz (No. 3134)
Michael G. Busenkell (No. 3933)
MORRIS, NICHOLS, ARSHT & TUNNELL
1201 North Market Street
Post Office Box 1347
Wilmington, Delaware 19899-1347
(302) 658-9200

- and -

Charles M. Oellermann (OH 0055509)
JONES DAY
325 John H. McConnell Boulevard
Suite 600
Columbus, Ohio 43215-2673
(614) 469-3939

Gregory M. Gordon (TX 08435300)
JONES DAY
2727 North Harwood Street
Dallas, Texas 75201-1515
(214) 220-3939

ATTORNEYS FOR
' REORGANIZED DEBTORS

EXHIBIT A

[Stipulation]

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:	:	
	:	Jointly Administered
LOEWEN GROUP INTERNATIONAL,	:	Case No. 99-1244 (PJW)
INC., a Delaware corporation, <u>et al.</u> ,	:	
	:	Chapter 11
Debtors.	:	
	:	Re D.I. 8699

**STIPULATION AND AGREED ORDER RESOLVING
UNITED STATES TRUSTEE QUARTERLY FEE DISPUTE**

Recitals

A. On June 1, 1999 (the "Petition Date"), 831 of the above-captioned debtors (the "Debtors") commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the "Bankruptcy Code"). On December 30, 1999, Debtor Neweol (Delaware), L.L.C. commenced its voluntary chapter 11 case. On May 29, 2001, Debtors HMP Acquisition, Inc., Memory Gardens, Inc. and OVC Association commenced their voluntary chapter 11 cases. On June 25, 2001, Debtor Loewen Financial Corporation commenced its voluntary chapter 11 case. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being administered jointly.

B. On December 5, 2001, the Court entered an order (D.I. 8671) (the "Confirmation Order") confirming the Fourth Amended Joint Plan of Reorganization of Loewen Group International, Inc., Its Parent Corporation and Certain of Their Debtor Subsidiaries, dated September 10, 2001, as modified (the "Plan"). On January 2, 2002, the Plan became effective by its terms, and all but 23 of the Debtors (the "Reorganized Debtors") emerged from bankruptcy. On or about December 11, 2002, the Court entered an order (D.I. 9823) dismissing for cause the chapter 11 cases of the remaining 23 Debtors.

C. Throughout the pendency of their chapter 11 cases, the Debtors continued in possession of their respective properties and operated and managed their businesses, as debtors in possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

D. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, Article XII of the Plan, Section III.J of the Confirmation Order and paragraph 12 of the Court's stipulation and order dated December 4, 2001 (D.I. 8699) (the "Prior Stipulation and Order"). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

E. On November 6, 2001, the Office of the United States Trustee (the "U.S. Trustee") filed an objection (D.I. 8450) to confirmation of the Plan with respect to the payment of quarterly fees alleged to be payable under 28 U.S.C. § 1930(a)(6) ("Quarterly Fees") prior to confirmation of the Plan, in addition to the Quarterly Fee amounts theretofore paid by the Debtors. On or about December 4, 2001, the Court approved the Prior Stipulation and Order, which, among other things: (1) preserved the issues set forth in the U.S. Trustee's objection to confirmation concerning Quarterly Fees; (2) required the Debtors to issue, in connection with their emergence from bankruptcy, an irrevocable \$4,000,000 letter of credit in favor of the U.S. Trustee (the "Letter of Credit") to secure the payment of disputed pre-confirmation Quarterly Fees; and (3) held the parties' dispute regarding Quarterly Fees in abeyance.

F. On various dates from June 11, 2002 through March 29, 2004, the Court, on motions filed by the Reorganized Debtors, entered eight orders (D.I. 9460, 9631, 9826, 10015, 10172, 10258, 10309 and 10350) (the "Case Closing Orders") closing the chapter 11 cases of all but nine of the Debtors that emerged from bankruptcy pursuant to the Plan. The Case Closing Orders required, among other things, that the amount of the Letter of Credit be increased to \$7,913,750.

G. The Reorganized Debtors and the U.S. Trustee now wish to resolve their dispute regarding Quarterly Fees payable for periods from the second quarter of 1999 through and including the fourth quarter of 2004 upon the terms and subject to the conditions set forth herein.

Stipulation and Agreed Order

In light of the factual recitals set forth above, the parties hereto, through their undersigned counsel, stipulate and agree as follows:

1. On or before April 15, 2005, the Reorganized Debtors shall deliver to the undersigned counsel to the U.S. Trustee a check in the amount of \$9,040,000 (the "Payment") to the order of the "United States Trustee" in compromise, settlement and satisfaction of any and all claims of the U.S. Trustee for additional Quarterly Fees accruing for all periods from the second quarter of 1999 through and including the fourth quarter of 2004. Upon receipt of the Payment, the U.S. Trustee shall be deemed to release and discharge the Debtors, their chapter 11 estates, the Reorganized Debtors and their respective affiliates, subsidiaries, predecessors, successors, employees, agents, attorneys, directors, officers, shareholders, administrators, representatives and assigns from any and all further claims for Quarterly Fees with respect to periods from the second quarter of 1999 through and including the fourth quarter of 2004, including any further claims to make draws in respect of such Quarterly Fees under the Letter of Credit. Upon delivery of the Payment, the Debtors, their chapter 11 estates, the Reorganized Debtors and their respective affiliates, subsidiaries, predecessors, successors, employees, agents, attorneys, directors, officers, shareholders, administrators, representatives and assigns shall be deemed to release and discharge the U.S. Trustee, the United States Trustee Program, the United States Trustee System Fund and their respective employees, agents, attorneys, representatives and

assigns from any and all further claims related to Quarterly Fees, the Payment, or to quarterly fee payments previously paid by the Debtors or the Reorganized Debtors for Quarterly Fees.

Notwithstanding the foregoing, nothing in this Paragraph shall affect the respective rights of the Reorganized Debtors and the U.S. Trustee to implement or enforce this Stipulation and Agreed Order.

2. Upon receipt of the Payment, the U.S. Trustee shall release to the undersigned counsel to the Reorganized Debtors, to hold in escrow pending Court approval of this Stipulation and Agreed Order: (a) the original copies of the Letter of Credit and such amendments thereto that the U.S. Trustee has in its possession; and (b) a cover letter on the U.S. Trustee's letterhead stating that "Letter of Credit No. 3060850 is returned for cancellation" (the "Cancellation Letter"). Upon Court approval of this Stipulation and Agreed Order, the Reorganized Debtors and their counsel may take such actions as are necessary and appropriate to cancel the Letter of Credit in its entirety. The U.S. Trustee agrees that it will not seek to draw any amounts under the Letter of Credit after the execution of the Stipulation and Agreed Order.

3. The Reorganized Debtors shall comply with applicable law with respect to Quarterly Fee obligations accruing in the first quarter of 2005 and periods thereafter.

4. The Reorganized Debtors and the U.S. Trustee agree to exercise their reasonable best efforts to obtain Court approval of this Stipulation and Agreed Order.

5. If the Court denies approval of this Stipulation and Agreed Order: (a) the U.S. Trustee shall, within 15 days after such ruling by the Court, disgorge the amount of the Payment to the Reorganized Debtors; (b) the Reorganized Debtors shall forward the Letter of Credit documentation described in paragraph 2 above and the Cancellation Letter to the U.S.

Trustee; and (c) the terms of paragraphs 1 and 2 of this Stipulation and Agreed Order shall be null and void and of no force or effect.

6. The Reorganized Debtors and the U.S. Trustee agree that they enter into this Stipulation and Agreed Order without admission of any kind by any party for any purpose as to any matters addressed in, relating to or arising out of this Stipulation and Agreed Order. This Stipulation and Agreed Order shall not be construed as an admission of any kind whatsoever, and this Stipulation and Agreed Order shall not be admissible in evidence against the Reorganized Debtors or the U.S. Trustee in any judicial or administrative proceeding other than one to implement or enforce this Stipulation and Agreed Order.

7. The Reorganized Debtors, the U.S. Trustee and the Clerk of this Court are authorized to take all actions necessary or appropriate to give effect to this Stipulation and Agreed Order.

8. This Stipulation and Agreed Order shall not be modified, altered, amended or vacated without the prior written consent of all parties hereto.

9. This Stipulation and Agreed Order may be signed in counterpart originals.

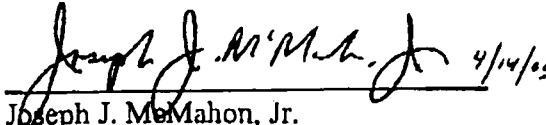
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

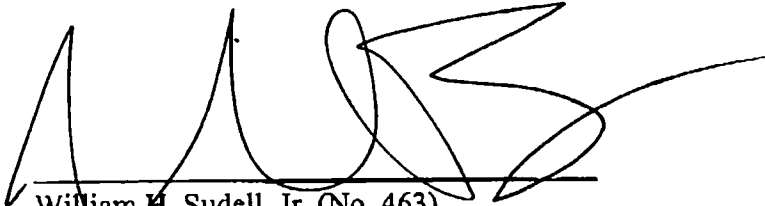
10. This Stipulation and Agreed Order shall be binding upon the parties hereto prior to its being "So Ordered."

Dated: April 14, 2005.

OFFICE OF UNITED STATES TRUSTEE

MORRIS, NICHOLS, ARSHT & TUNNELL


Joseph J. McMahon, Jr.
Trial Attorney
J. Caleb Boggs Federal Building
844 King Street
Suite 2207
Wilmington, Delaware 19801
(302) 573-6491


William H. Sudell, Jr. (No. 463)
Robert J. Dehney (No. 3578)
Eric D. Schwartz (No. 3134)
Michael G. Busenkell (No. 3933)
1201 North Market Street
Post Office Box 1347
Wilmington, Delaware 19899-1347
(302) 658-9200

- and -

Charles M. Oellermann (OH 0055509)
JONES DAY
325 John H. McConnell Boulevard
Suite 600
Columbus, Ohio 43215-2673
(614) 469-3939

Gregory M. Gordon (TX 08435300)
JONES DAY
2727 North Harwood Street
Dallas, Texas 75201-1515
(214) 220-3939

ATTORNEYS FOR THE REORGANIZED
DEBTORS

SO ORDERED this _____ day of _____, 2005.

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

[Prior Stipulation and Order]

ORIGINAL

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

Chapter 11

LOEWEN GROUP INTERNATIONAL,
INC., *et al.*,

Debtors.

Case Number 99-1244 (PJW)
Jointly Administered

**STIPULATION AND ORDER
REGARDING THE UNITED STATES TRUSTEE'S OBJECTION TO CONFIRMATION
OF THE FOURTH AMENDED JOINT PLAN OF REORGANIZATION OF
LOEWEN GROUP INTERNATIONAL, INC., ITS PARENT CORPORATION AND
CERTAIN OF THEIR DEBTOR SUBSIDIARIES**

Loewen Group International, Inc., its Parent Corporation and Certain of their Debtor
Subsidiaries ("the Debtors") and the Acting United States Trustee ("UST") agree that:

1. This matter is a core proceeding pursuant to 28 U.S.C. § 157(a)(2)(A) and (L).
2. This court has jurisdiction over this matter pursuant to 28 U.S.C. § 1344 and relevant order(s) of the United States District Court for the District of Delaware.
3. The issues set forth in the UST's^{1/} objection to confirmation concerning pre-confirmation fees due under 28 U.S.C. § 1930(a)(6) ("Quarterly Fee(s)") shall be preserved; provided, however, that the debtors may proceed with confirmation of its fourth amended joint plan, the entry of a final order of confirmation and consummation of the plan.
4. The trial on the Debtors' pre-confirmation Quarterly Fee obligations shall be adjourned to a date subsequent to the confirmation hearing and agreeable to the parties.

^{1/} For purposes of this Stipulation, the term "UST" includes the Acting United States Trustee and his successor(s).

5. To ensure the availability of funds to pay any and all Quarterly Fees due pursuant to U.S.C. § 1129(a)(12) and 28 U.S.C. § 1930(a)(6), the debtors shall set aside from their exit financing facility an irrevocable \$4.0 million letter of credit in favor of the UST for the payment of pre-confirmation Quarterly Fees on the terms described in Paragraph 6 of this Stipulation.

6. The Debtors shall maintain the \$4.0 million letter of credit to and until the date on which the bankruptcy court enters an order with respect to the amount of pre-confirmation Quarterly Fees due. The letter of credit may be released by the UST if circumstances warrant such release. If ~~the UST~~ or the Debtors appeal the Bankruptcy Court's order with respect to the amount of Quarterly Fees due, the provisions of Paragraph 11 shall supersede the provisions of this Paragraph. JAM
EDS

7. The debtors shall include language in the confirmation order consistent with 11 U.S.C. § 1129(a)(12) indicating (1) that Quarterly Fees shall be paid on or before the later of the effective date of the Debtors' fourth amended joint plan or at such time as when the bankruptcy court enters an order with respect to the amount of pre-confirmation Quarterly Fees due becomes final and non-appealable and (2) that the Debtors have the ability to pay additional Quarterly Fees in an estimated amount of \$10 million.²

8. The Debtors shall present competent evidence at the confirmation hearing that they will be able to pay the Quarterly Fees from whatever source (e.g., their revolving line of credit, current operations, or working capital) to assure this Court and the UST that (i) the fourth amended joint plan is feasible and (ii) the Debtors can pay any and all pre-confirmation Quarterly Fees if ordered to do so.

² Nothing in this Stipulation shall bind the parties with respect to subsequent litigation regarding the amount of pre-confirmation Quarterly Fees owed by the Debtors.

9. Any and all discovery related to Quarterly Fees, including all previously-noticed depositions and requests for document production, shall be held in abeyance until the parties have agreed upon a consensual discovery schedule.

10. The parties reserve any and all rights related to pending and subsequent discovery, including the right to move for (an) appropriate protective order(s).

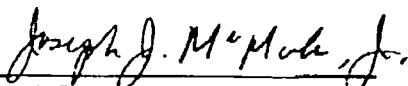
11. In the event of an appeal by the Debtors ~~or the UST~~ of any order of this court concerning the issues that are subject of this Stipulation, the Debtors shall maintain an irrevocable letter of credit in favor of the UST for the payment of pre-confirmation Quarterly Fees in the amount of \$10 million or the judgment amount, whichever is less, until there is a final, non-appealable order with respect to the pre-confirmation Quarterly Fees owed by the Debtors, unless (1) the UST, in addition to the Debtors, files a notice of appeal with respect to the bankruptcy court's order regarding the pre-confirmation Quarterly Fees, at which time the Debtors will maintain an irrevocable letter of credit in favor of the UST for the payment of pre-confirmation Quarterly Fees in the amount of \$10 million ^{until there is a final, non-appealable order} or (2) the UST consents to the Debtors' maintenance of a letter of credit in an amount less than \$10 million, irrespective of the exception contained in subparagraph 1 of this Paragraph.

12. This court shall retain jurisdiction over this matter.

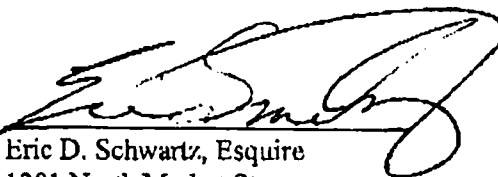
[Signature lines begin on next page – space intentionally left blank]

Respectfully submitted,

DONALD F. WALTON
ACTING UNITED STATES TRUSTEE

BY: 
Joseph J. McMahon, Jr., Esquire
Trial Attorney
J. Caleb Boggs Federal Building
844 King Street, Room 2313, Lockbox 35
Wilmington, DE 19801
(302) 573-6491
(302) 573-6497 (Fax)

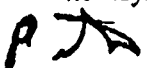

MORRIS, NICHOLS, ARSHT & TUNNELL

BY: 
Eric D. Schwartz, Esquire
1201 North Market Street
P.O. Box 1347
Wilmington, DE 19899-1347
(302) 658-9200
(302) 658-3989 (Fax)

- and -

JONES, DAY, REAVIS & POGUE
Robert W. Hamilton, Esquire
1900 Huntingdon Center
41 South High Street
Columbus, OH 43215
(614) 469-3848
(614) 461-4198 (Fax)

Attorneys for Debtors and Debtors in Possession

Is ordered.  
Dec. 4, 2001