

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF GEORGIA
BRUNSWICK DIVISION**

In re:)	Chapter 11
)	
SEA ISLAND COMPANY,)	Case No. 10-21034
SEA ISLAND COASTAL PROPERTIES LLC,)	Case No. 10-21035
SEA ISLAND SERVICES, INC.,)	Case No. 10-21036
SEA ISLAND RESORT RESIDENCES, LLC,)	Case No. 10-21037
SEA ISLAND APPAREL, LLC,)	Case No. 10-21038
FIRST SEA ISLAND, LLC,)	Case No. 10-21039
and SICAL, LLC,)	Case No. 10-21040
)	
Debtors.)	
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**APPLICATION FOR AUTHORITY TO RETAIN EPIQ BANKRUPTCY SOLUTIONS,
LLC AS CLAIMS, NOTICING, AND BALLOTING AGENT FOR THE DEBTORS**

Sea Island Company; Sea Island Coastal Properties LLC; Sea Island Services, Inc.; Sea Island Resort Residences, LLC; Sea Island Apparel, LLC; First Sea Island, LLC; and SICAL, LLC (collectively, the “Debtors”), file this Application for Authority to Retain Epiq Bankruptcy Solutions, LLC as Claims, Noticing, and Balloting Agent for the Debtors (the “Application”). In support of this Application, the Debtors respectfully represent as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. § 1334. Consideration of this Application is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of this proceeding is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
2. The statutory predicate for the relief requested herein is 28 U.S.C. § 156(c).

BACKGROUND

3. On August 10, 2010 (the “Petition Date”), each of the Debtors filed a voluntary petition with the Court under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”).

4. On the Petition Date, each Debtor filed a substantially similar motion with this Court seeking to have its bankruptcy case jointly administered with the other Debtors’ cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

5. The factual background relating to the Debtors’ commencement of these cases is set forth in detail in the *Declaration of David Bansmer in Support of First Day Motions and Applications* filed on the Petition Date and incorporated herein by reference.

6. The Debtors have continued in possession of their properties and have continued to operate and manage their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

7. As of the date of this filing, no official committee of unsecured creditors has been appointed in any of these cases, and no request has been made for the appointment of a trustee or examiner.

RELIEF REQUESTED

8. By this Application, the Debtors respectfully request the entry of an order, pursuant to 28 U.S.C. § 156(c), authorizing the Debtors to employ Epiq Bankruptcy Solutions, LLC (“Epiq”) to, among other things: (a) serve as the Debtors’ noticing agent to mail certain notices to certain of the Debtors’ creditors and other parties-in-interest; (b) provide computerized claims, schedule preparation and balloting database services; and (c) provide expertise and

consultation and assistance in claim and ballot processing and with the dissemination of other administrative information related to the Debtors' chapter 11 cases.

BASIS FOR RELIEF

9. Pursuant to 28 U.S.C. § 156(c), this Court is authorized to use facilities other than those of the Clerk's office for the administration of bankruptcy cases, including such matters as: (1) giving notice of hearings and orders filed in these chapter 11 cases, the meeting of creditors pursuant to section 341 of the Bankruptcy Code and claims bar dates; and (2) providing record-keeping and claims-docketing assistance. For the reasons set forth below, the Debtors believe it is necessary and in the best interests of their creditors and estates to engage Epiq to act as outside agent to the Clerk of the Bankruptcy Court to assume full responsibility for the distribution of notices and proof of claim forms and the maintenance, secondary processing, and docketing of all proofs of claim filed in the Debtors' bankruptcy cases. In addition, in connection with any plan of liquidation proposed by the Debtors, the Debtors have determined that it will require the services of Epiq with respect to the mailing of the Debtors' disclosure statement, plan, and ballots and in maintaining and tallying ballots in connection with the voting on such plan.

10. The Debtors anticipate that there will be hundreds of entities that the Debtors will be required to serve with various notices, pleadings, and other documents filed in these cases. In consideration of the number of anticipated claimants and parties in interest and the nature of the Debtors' business, the Debtors respectfully submit that the appointment of Epiq will expedite the distribution of notices and relieve the Clerk's office of the administrative burden of processing such notices.

11. The Debtors believe that Epiq is particularly well-suited to perform the foregoing tasks because Epiq is a data-processing firm whose principals and senior staff have in-depth experience in performing noticing, claims processing, claims reconciliation, and other

administrative tasks for chapter 11 debtors. Epiq also is experienced in performing plan voting and distribution services, and other services relating to its role as a claims, noticing, and balloting agent. Epiq has been appointed to act as claims, noticing, and balloting agent in several Chapter 11 cases in this District, *see, e.g., In re Titlemax Holdings, LLC*, Case No. 09-40805 (LWD) (Bankr. S.D. Ga. Apr. 20, 2009) [Docket No. 27], and in significant cases in other districts. *See, e.g., In re Old Carco LLC (f/k/a Chrysler LLC), et al.*, Case No. 09-50002 (AJG) (Bankr. S.D.N.Y. May 4, 2009); *In re Journal Register Company, et al.*, Case No. 09-10769 (ALG) (Bankr. S.D.N.Y. Mar. 18, 2009); *In re Lyondell Chemical Company, et al.*, Case No. 09-10023 (REG) (Bankr. S.D.N.Y. Jan. 8, 2009); *In re Lehman Brothers Holdings Inc., et al.*, Case No. 08-13555 (JMP) (Bankr. S.D.N.Y. Sept. 16, 2008); *In re Pacific Ethanol Holding Co. LLC., et al.*, Case No. 09-11713 (KG) (Bankr. D. Del. May 17, 2009); *In re Crucible Materials Corp., et al.*, Case No. 09-11582 (MFW) (Bankr. D. Del. May 6, 2009); *In re Stock Building Supply Holdings, LLC, et al.*, Case No. 09-11554 (MFW) (Bankr. D. Del. May 6, 2009); *In re Norwood Promotional Products Holdings, Inc., et al.*, Case No. 09-11547 (PJW) (Bankr. D. Del. May 5, 2009); *In re Filene's Basement (n/k/a) FB Liquidating Estate, et al.*, Case No. 09-11525 (MFW) (Bankr. D. Del. May 4, 2009); *In re AbitibiBowater Inc., et al.*, Case No. 09-11296 (KJC) (Bankr. D. Del. Apr. 16, 2009).

12. The Debtors wish to engage Epiq to send out certain designated notices, maintain claims files and a claims register, assist with schedule preparation, and act as voting agent with respect to certain creditors in this case. The Debtors believe that such assistance will expedite service of Federal Rule of Bankruptcy Procedure 2002 notices and streamline the claims administration process. Accordingly, the Debtors' estates, and especially their creditors, will benefit as a result of Epiq's experience and cost-effective methods.

13. Epiq will, as directed by the Debtors, undertake the actions and procedures provided in the agreement (the “Epiq Agreement”) attached hereto as Exhibit A, including, but not limited to, the following:

- a. prepare and serve required notices in Debtors’ chapter 11 cases, which may include:
 - i. notice of the commencement of Debtors’ chapter 11 cases and the initial meeting of creditors pursuant to section 341(a) of the Bankruptcy Code;
 - ii. notice of the claims bar date, if any;
 - iii. notice of objections to claims;
 - iv. notice of any hearings on a disclosure statement and confirmation of a plan of liquidation; and
 - v. other miscellaneous notices to any entities, as the Debtors may deem necessary or appropriate for an orderly administration of Debtors’ chapter 11 cases;
- b. after the mailing of a particular notice, prepare for filing with the Bankruptcy Court a certificate or affidavit of service that includes a copy of the notice involved, an alphabetical list of persons to whom the notice was mailed and the date and manner of mailing;
- c. assist the Debtors to prepare Schedules of Assets and Liabilities and Statements of Financial Affairs;
- d. receive and record proofs of claim and proofs of interest filed;
- e. create and maintain official claims registers, including, among other things, the following information for each proof of claim or proof of interest:
 - i. the name and address of the claimant and any agent thereof, if the proof of claim or proof of interest was filed by an agent;
 - ii. the date received;
 - iii. the claim number assigned; and
 - iv. the asserted amount and classification of the claim;
- f. act as balloting agent, which will include the following services:
 - i. print ballots, including the printing of color-coded, creditor and shareholder specific ballots;
 - ii. prepare voting reports by plan class, creditor or shareholder and amount for review and approval by the Debtors and their counsel;

- iii. coordinate mailing of ballots, disclosure statement and plan of liquidation or other appropriate materials to all voting and non-voting parties, and provide affidavit of service;
 - iv. establish a toll-free “800” number to receive questions regarding voting on the plan; and
 - v. receive and tabulate ballots, inspect ballots for conformity to voting procedures, date stamp and number ballots consecutively, provide computerized balloting database services and certify the tabulation results;
- g. maintain an up-to-date mailing list for all entities that have filed a proof of claim or proof of interest, which list shall be available upon request of a party-in-interest or the Clerk’s Office:
- i. implement necessary security measures to ensure the completeness and integrity of the claims registers; and
 - ii. transmit to the Clerk’s Office a copy of the claims registers upon request and at agreed upon intervals;
- h. provide access to the public for examination of copies of the proofs of claim or interest without charge during regular business hours;
- i. record all transfers of claims pursuant to Bankruptcy Rule 3001(e) and provide notice of such transfers as required by Bankruptcy Rule 3001(e);
- j. comply with applicable federal, state, municipal, and local statutes, ordinances, rules, regulations, orders, and other requirements;
- k. assist the Debtors and provide temporary employees to process, reconcile, and resolve claims, as necessary;
- l. promptly comply with such further conditions and requirements as the Clerk’s Office or the Court may at any time prescribe; and
- m. perform such other administrative and support services related to noticing, claims, docketing, solicitation, and distribution as the Debtors may reasonably request and which Equip may agree to perform, including but not limited to, providing administrative support services with respect to the Debtors’ information assembly and dissemination/distribution functions.

14. To the best of the Debtors’ knowledge, and as disclosed in the Declaration of Daniel McElhinney (the “McElhinney Declaration”) attached hereto as Exhibit B, the officers and employees of Epiq: (a) do not have any adverse connection with the Debtors, the Debtors’ creditors, or any other party-in-interest (or their respective attorneys and accountants), the United

States Trustee, or any person employed in the Office of the United States Trustee; and (b) do not hold or represent an interest adverse to the Debtors' estates. Because of the ministerial nature of the duties performed by Epiq and the confidentiality clause in the Epiq Agreement, Epiq may, however, provide professional services to entities or persons that may be creditors or parties-in-interest in these chapter 11 cases, which services do not relate to or have any direct connection with these chapter 11 cases or the Debtors.

15. To the best of the Debtors' knowledge, Epiq is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, in that its officers and employees:

- (a) are not creditors, equity security holders or insiders of the Debtors;
- (b) are not and were not, within two (2) years before the Petition Date, directors, officers or employees of the Debtors; and
- (c) do not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

16. The Debtors request authority to compensate and reimburse Epiq in accordance with the payment terms of the Epiq Agreement for all services rendered and expenses incurred in connection with the Debtors' chapter 11 cases. Epiq will be compensated according to its usual fee arrangement, which combines an hourly fee rate with per-task charges for certain services, prepaid postage expenses, and reimbursement for reasonable out-of-pocket expenses. The exact terms of Epiq's fees are further explained in the Epiq Agreement. The Debtors believe that such compensation rates are reasonable and appropriate for services of this nature and are comparable to those charged by other providers of similar services.

17. In an effort to reduce administrative expenses related to Epiq's retention, the Debtors request authorization to compensate Epiq for services rendered, without further order of

this Court, upon the submission of monthly invoices by Epiq summarizing, in reasonable detail, the services for which compensation is sought.

18. Prior to the Relief Date, the Debtors paid to Epiq a retainer of \$30,000.

19. Epiq acknowledges that it will continue to perform the services contemplated by the Epiq Agreement in the event the Debtors' chapter 11 cases are converted to chapter 7 cases. Epiq will perform its duties through the conversion process and shall continue its services as required; provided, however, that Epiq may seek to be relieved of its duties should there be insufficient funds in such chapter 7 cases to enable the chapter 7 trustee to pay Epiq's fees and expenses on a monthly basis or to provide adequate assurances of payment. Furthermore, in the event Epiq's services are terminated, Epiq shall perform its duties until the occurrence of a complete transition with the Clerk's Office or any successor's claims/noticing/balloting agent.

20. For the reasons set forth herein, the Debtors respectfully submit that the retention of Epiq pursuant to the terms of the Epiq Agreement will inure to the benefit of their estates and all parties-in-interest by expediting the case noticing as well as the claims docketing, reconciliation and ballot solicitation and tabulation processes, and enabling this case to be conducted in a cost-effective and efficient manner by a firm with proven abilities in performing such services.

NOTICE

21. Notice of this Application has been provided to the Office of the United States Trustee, counsel for the Debtors' pre-petition secured lenders, and the Debtors' thirty (30) largest unsecured creditors on a consolidated basis. In light of the nature of the relief requested, the Debtors submit that no further notice is necessary.

CONCLUSION

WHEREFORE, the Debtors respectfully request that this Court:

- (a) enter an order in the form attached hereto as Exhibit C approving the Debtors' agreement with Epiq and authorizing the employment of Epiq as claims, noticing, and balloting agent for the Debtors; and
- (b) grant the Debtors such other and further relief as is just and proper.

Dated: August 10, 2010
Brunswick, Georgia

Respectfully submitted,

GILBERT, HARRELL, SUMERFORD &
MARTIN, P.C.

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**PROPOSED COUNSEL FOR THE
DEBTORS-IN-POSSESSION**

EXHIBIT A

Epiq Agreement



EPIQ

STANDARD SERVICES AGREEMENT

This Standard Services Agreement is being entered into by and between Epiq Bankruptcy Solutions, LLC (“Epiq”) and Sea Island Company and related debtors (collectively, the “Client”), as of July 28, 2010.

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

General Terms and Conditions

1. Services.

In accordance with the charges, terms and conditions contained in this agreement and in the schedule(s) attached hereto (collectively, the “Agreement”), Epiq agrees to furnish Client with the services set forth on Exhibit A hereto (the “Services”) in connection with a corporate restructuring. Services will be provided on an as needed basis and upon request or agreement of the Client. Charges for the Services will be based on the pricing schedule set forth on Exhibit B hereto (the “Pricing Schedule”). The Pricing Schedule sets forth individual unit pricing for each of the Services provided by Epiq and represents a bona fide proposal for that Service. The Client may request separate Services or all of the Services reflected in the Pricing Schedule.

2. Term.

This Agreement shall become effective on the date of its acceptance by both Epiq and the Client; provided, however, Epiq acknowledges that Bankruptcy Court approval of its engagement may be required in order for Epiq to be engaged in a chapter 11 proceeding. The Agreement shall remain in effect until terminated: (a) by the Client, on thirty (30) days’ prior written notice to Epiq and, to the extent Epiq has been retained by Bankruptcy Court order, entry of an order of the Bankruptcy Court discharging Epiq; or (b) by Epiq, on ninety (90) days’ prior written notice to the Client and, to the extent Epiq has been retained by Bankruptcy Court order, entry of an order of the Bankruptcy Court discharging Epiq.

3. Charges.

- 3.1 For the Services and materials furnished by Epiq under this Agreement, the Client shall pay the fees, charges and costs set forth in the Pricing Schedule. Epiq will bill the Client monthly. All invoices shall be due and payable upon receipt.
- 3.2 Epiq reserves the right to make reasonable increases to the unit prices, charges and professional service rates reflected in the Pricing Schedule on an annual basis effective



January 2nd of each year. If such annual increases exceed 10% from the prior year's level, Epiq shall provide sixty (60) days' prior written notice to the Client of such proposed increases.

- 3.3 Client agrees to pay Epiq for all materials necessary for performance of the Services under this Agreement (other than computer hardware and software) and any reasonable out of pocket expenses including, without limitation, transportation, long distance communications, printing, photocopying, fax, postage and related items.
- 3.4 Client shall pay or reimburse all taxes applicable to services performed under this Agreement and, specifically, taxes based on disbursements made on behalf of the Client, notwithstanding how such taxes may be designated, levied or based. This provision is intended to include sales, use and excise taxes, among other taxes, but is not intended to include personal property taxes or taxes based on net income of Epiq.
- 3.5 Client shall pay to Epiq any actual charges (including fees, costs and expenses as set forth in the Pricing Schedule) related to, arising out of or resulting from any Client error or omission. Such charges may include, without limitation, print or copy re-runs, supplies, long distance phone calls, travel expenses and overtime expenses for work chargeable at the rates set forth on the Pricing Schedule.
- 3.6 In the event of termination pursuant to Section 2 hereof, Client shall be liable for all amounts then accrued and/or due and owing to Epiq under the Agreement.
- 3.7 Client shall pay Epiq a retainer in the amount of \$30,000 (the "Retainer"). The Retainer shall be applied in satisfaction of fees, costs and expenses incurred pursuant to this Agreement. To the extent the Client seeks relief under the Bankruptcy Code, any unapplied portion of the Retainer as of the petition date shall be applied immediately against post-petition date invoices until exhausted.

4. Confidentiality.

Client data provided to Epiq during the term of this Agreement in connection with the Services ("Client Data") shall be maintained confidentially by Epiq in the same manner and to the same level as Epiq safeguards data relating to its own business; provided, however, that if Client Data is publicly available, was already in Epiq's possession or known to it, was required to be disclosed by law, was independently developed by Epiq without use or reference to any Client Data, or was rightfully obtained by Epiq from a third party, Epiq shall bear no responsibility for public disclosure of such data. Client agrees that Epiq shall not be liable for damages or losses of any nature whatsoever arising out of the unauthorized acquisition or use of any Client Data or other Client materials provided to Epiq in the performance of this Agreement.



5. Title to Property.

Epiq reserves all property rights in and to all materials, concepts, creations, inventions, works of authorship, improvements, designs, innovations, ideas, discoveries, know-how, techniques, programs, systems and other information, including, without limitation, data processing programs, specifications, applications, processes, routines, sub-routines, procedural manuals and documentation furnished or developed by Epiq for itself or for use by the Client (collectively, the "Property"). Charges paid by Client do not vest in Client any rights to the Property, it being expressly understood that the Property is made available to Client under this Agreement solely for Client's use during and in connection with each use of the Epiq equipment and services. Client agrees not to copy or permit others to copy any of the Property.

6. Disposition of Data.

- 6.1 Client is responsible for the accuracy of the programs and Client Data it provides or gives access to Epiq and for the output resulting from such data. Client shall initiate and maintain backup files that would allow Client to regenerate or duplicate all programs and Client Data which Client provides or gives access to Epiq. Client agrees, represents and warrants to Epiq that, prior to delivery of any Client Data to Epiq, Client warrants that it has full authority to deliver the Client Data to Epiq. Client has obtained binding consents, permits, licenses and approvals from all necessary persons, authorities or individuals, and has complied with all applicable policies, regulations and laws, required by Client, in order to allow Epiq to use all Client Data delivered to it in connection with its Services. Epiq shall not be liable for, and Client accepts full responsibility for, any liability or obligation with respect to Client Data prior to Epiq's receipt, including without limitation, any liability arising during the delivery of Client Data to Epiq.
- 6.2 Any Client Data, programs, storage media or other materials furnished by the Client to Epiq in connection with this Agreement (collectively, the "Client Materials") may be retained by Epiq until the services provided pursuant to this Agreement are paid for, or until this Agreement is terminated with the services provided herein having been paid for in full. Client shall remain liable for all out of pocket charges incurred by Epiq under this Agreement as a result of any Client Materials maintained by Epiq. Epiq shall dispose of Client Materials in the manner requested by Client (except to the extent disposal may be prohibited by law). Client agrees to pay Epiq for reasonable expenses incurred as a result of the disposition of the Client Materials. Epiq reserves the right to dispose of any Client Materials if this Agreement is terminated without Client's direction as to the return or disposal of Client Material or Client has not paid all charges due to Epiq for a period of at least ninety (90) days; provided, however, Epiq shall provide Client with thirty (30) days' prior written notice if its intent to dispose of such data and media.



7. Indemnification.

The Client shall indemnify, defend and hold Epiq, its affiliates, parent, and each such entity's officers, members, directors, agents, representatives, managers, consultants and employees (each an "Indemnified Person") harmless from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, costs of preparation and attorneys' fees) and expenses as incurred (collectively, "Losses"), to which any Indemnified Person may become subject or involved in any capacity arising out of or relating to this Agreement or Epiq's rendering of services pursuant hereto, regardless of whether any of such Indemnified Persons is a party thereto, other than Losses resulting solely from Epiq's gross negligence or willful misconduct. Without limiting the generality of the foregoing, "Losses" includes any liabilities resulting from claims by third persons against any Indemnified Person. Client and Epiq shall notify the other party in writing promptly of the commencement, institution, threat, or assertion of any claim, action or proceeding of which the Client is aware with respect to the services provided by Epiq under this Agreement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Client, and shall survive the termination of this Agreement until the expiration of all applicable statutes of limitation with respect to Epiq's liabilities.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED, EPIQ SHALL HAVE NO OBLIGATION OR LIABILITY TO THE CLIENT (WHETHER HEREIN, TORT, EQUITY, CONTRACT, WARRANTY OR OTHERWISE) FOR ANY INDIRECT, GENERAL, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY USE, INABILITY TO USE OR RESULTS OF USE OF THE SERVICES OR OTHERWISE, EVEN IF SUCH PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE TOTAL LIABILITY OF EPIQ TO THE CLIENT FOR ALL CLAIMS, LOSSES, COSTS, FINES, SETTLEMENTS, PENALTIES OR DAMAGES, INCLUDING COURT COSTS AND REASONABLE ATTORNEY'S FEES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY USE, INABILITY TO USE OR RESULTS OF USE OF THE SERVICES (COLLECTIVELY, "CLAIMS") SHALL NOT EXCEED THE TOTAL AMOUNT PAID BY THE CLIENT TO EPIQ FOR THE PARTICULAR SERVICES WHICH GAVE RISE TO THE CLAIMS. TO THE EXTENT CERTAIN JURISDICTIONS GOVERNING THIS AGREEMENT LIMIT THE EXCLUSION OF DAMAGES OR LIMITATION OF LIABILITY HEREUNDER OR OTHERWISE RENDER ANY PART OF THE EXCLUSIONS OF DAMAGES OR LIMITATIONS OF LIABILITY UNENFORCEABLE, THE ABOVE EXCLUSIONS AND LIMITATIONS SHALL BE MODIFIED TO THE MAXIMUM EXTENT PERMITTED BY LAW, EVEN IF ANY REMEDY FAILS ITS ESSENTIAL PURPOSE.



8. Representations / Warranties.

Epiq makes no representations or warranties, express or implied, including, without limitation, any implied or express warranty of merchantability, suitability, fitness or adequacy for a particular purpose or use, quality, productiveness or capacity.

9. Confidential On-Line Workspace

Upon request of the Client, Epiq shall be authorized to: (a) establish a confidential on-line workspace with an outside vendor in connection with the provision of its services to the Client pursuant to this Agreement; and (b) with the consent of the Client and/or its designees, publish documents and other information to such confidential workspace. By publishing documents and other information to this confidential workspace in accordance with the foregoing, Epiq shall not be considered in violation of any of the provisions of this Agreement, including, but not limited to, Section 4 (Confidentiality).

10. General

- 10.1 No waiver, alteration, amendment or modification of any of the provisions of this Agreement shall be binding upon either party unless signed in writing by a duly authorized representative of both parties.
- 10.2 This Agreement may not be assigned by Client without the express written consent of Epiq, which consent shall not be unreasonably withheld. The services provided under this Agreement are for the sole benefit and use of Client, and shall not be made available to any other persons.
- 10.3 This Agreement shall be governed by the laws of the State of New York, without regard to that state's provisions for choice of law. Client and Epiq agree that any controversy or claim arising out of or relating to this Agreement or the alleged breach thereof shall be settled by mandatory, final and binding arbitration before the American Arbitration Association in New York, New York and such arbitration shall comply with and be governed by the rules of the American Arbitration Association, provided that each party may seek interim relief in court as it deems necessary to protect its confidential information and intellectual property rights. Any arbitration award rendered pursuant to this provision shall be enforceable worldwide.
- 10.4 The parties hereto agree that this Agreement is the complete and exclusive statement of the agreement between the parties which supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement.



- 10.5 Client will use its best efforts to cooperate with Epiq at Client's facilities if any portion of the Services requires its physical presence thereon.
- 10.6 In no event shall Epiq's Services constitute or contain legal advice or opinion, and neither Epiq nor its personnel shall be deemed to practice law hereunder.
- 10.7 Except for Client's obligation to pay fees, expenses and charges hereunder when due, neither party shall be in default or otherwise liable for any delay in or failure of its performance under this Agreement to the extent such delay or failure arises by reason of any act of God, any governmental requirement, act of terrorism, riots, epidemics, flood, strike, lock-out, industrial or transportational disturbance, fire, lack of materials, war, event of force majeure, or other acts beyond the reasonable control of a performing party.
- 10.8 This Agreement may be executed in counterparts, each of which shall be deemed to an original, but all of which shall constitute one and the same agreement.
- 10.9 All clauses and covenants in this Agreement are severable; in the event any or part of them are held invalid or unenforceable by any court, such clauses or covenants shall be valid and enforced to the fullest extent available, and this Agreement will be interpreted as if such invalid or unenforceable clauses or covenants were not contained herein. The parties are independent contractors and, except as expressly stated herein, neither party shall have any rights, power or authority to act or create an obligation on behalf of the other party.
- 10.10 Notices to be given or submitted by either party to the other, pursuant to this Agreement, shall be sufficiently given or made if given or made in writing and sent by hand delivery, overnight or certified mail, postage prepaid, and addressed as follows:

If to Epiq:

Epiq Bankruptcy Solutions, LLC
757 Third Avenue, Third Floor
New York, New York 10017
Attn: Ron Jacobs

If to Client:

With a copy to:

Sarah R Borders, Esq.
Sarah L Taub, Esq.
King & Spalding
1180 Peachtree Street, NE
Atlanta, GA 30309-3521



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

EPIQ BANKRUPTCY SOLUTIONS, LLC

A handwritten signature in black ink, appearing to read "Daniel C. McElhinney", with a horizontal line extending to the right from the end of the signature.

Name: Daniel C. McElhinney
Title: Executive Director

[CLIENT]

By: _____

A handwritten signature in black ink, appearing to read "James Gilbert", with a horizontal line extending to the right from the end of the signature.

Name: James Gilbert
Title: Senior Vice President and General Counsel



EXHIBIT A

SERVICES SCHEDULE

CLAIMS MANAGEMENT

- Maintain copies of all proofs of claim and proofs of interest filed (in hard copy and electronic form).
- Create and maintain electronic databases for creditor/party in interest information provided by the debtor (e.g., creditor matrix and Schedules of Statements of Assets and Liabilities) and creditors/parties in interest (e.g., proof of claim/interests).
- Process all proof of claim/interest submitted.
- Provide access to the public for examination of copies of the proofs of claim or interest without charge during regular business hours.
- Maintain official claims registers, including, among other things, the following information for each proof of claim or proof of interest:
 - Name and address of the claimant and any agent thereof, if the proof of claim or proof of interest was filed by an agent;
 - Date received;
 - Claim number assigned; and
 - Asserted amount and classification of the claim.
- Create and maintain a website with general case information, key documents, claim search function, and mirror of ECF case docket.
- Transmit to the Clerk's office a copy of the claims registers on a monthly basis, unless requested by the Clerk's office on a more or less frequent basis or, in the alternative, make available the claims register on-line.
- Implement necessary security measures to ensure the completeness and integrity of the claims registers.
- Record all transfers of claims pursuant to Bankruptcy Rule 3001(e) and provide notice of such transfers as required by Bankruptcy Rule 3001(e).



- Maintain an up-to-date mailing list for all entities that have filed a proof of claim, proof of interest or notice of appearance, which list shall be available upon request of a party in interest or the Clerk's office.

SCHEDULES/STATEMENT PREPARATION

- Assist the Debtors with administrative tasks in the preparation of their bankruptcy Schedules of Assets and Liabilities ("Schedules") and Statements of Financial Affairs ("Statements"), including (as needed):
 - Coordinate with the Client and its advisors regarding the Schedules and Statements process, requirements, timelines and deliverables.
 - Create and maintain of databases for maintenance and formatting of Schedules and Statement data.
 - Coordinate collection of data from Client and advisors.
 - Provide data entry and quality assurance assistance regarding Schedules and Statements, including, specifically, the creation of Schedule G.

CALL CENTER

- Provide state-of-the-art Call Center facility and services, including (as needed):
 - Create of frequently asked questions, call scripts, escalation procedures and call log formats.
 - Record automated messaging.
 - Train Call Center staff.
 - Maintain and transmit call log to Client and advisors.

VIRTUAL DATAROOM

Provide confidential on-line workspace to facilitate permission based and password protected simultaneous document sharing in connection with asset sale due diligence, contract and invoice review, or creation of contract repository, among other reasons.



NOTICING

- Prepare and serve required notices in these Chapter 11 cases, including:
 - Notice of the commencement of these Chapter 11 cases and the initial meeting of creditors under section 341(a) of the Bankruptcy Code;
 - Notice of any auction sale hearing;
 - Notice of the claims bar date;
 - Notice of objection to claims;
 - Notice of any hearings on a disclosure statement and confirmation of a plan of reorganization; and
 - Other miscellaneous notices to any entities, as the debtor or the Court may deem necessary or appropriate for an orderly administration of these Chapter 11 cases.
- After service of a particular notice - whether by regular mail, overnight or hand delivery, email or facsimile service - file with the Clerk's office an affidavit of service that includes a copy of the notice involved, a list of persons to whom the notice was mailed and the date and manner of mailing.
- Update claim database to reflect undeliverable or changed addresses.
- Coordinate publication of certain notices in periodicals and other media.
- Distribute Claim Acknowledgement Cards to creditor having filed a proof of claim/interest.

BALLOTING/TABULATION

- Provide balloting services in connection with the solicitation process for any chapter 11 plan for which a disclosure statement has been approved by the Court, including (as needed):
 - Consult company and its counsel regarding timing issues, voting and tabulation procedures, and documents needed for the vote.
 - Review of voting-related sections of the voting procedures motion, disclosure statement and ballots for procedural and timing issues.
 - Assist in obtaining information regarding members of voting classes, including lists of holders of bonds from DTC and other entities (and, if needed, assist the company in requesting these listings).
 - Coordinate distribution of solicitation documents.



- Prepare a certificate of service for filing with the court.
- Respond to requests for documents from parties in interest, including brokerage firm and bank back-offices and institutional holders.
- Respond to telephone inquiries from lenders, bondholders and nominees regarding the disclosure statement and the voting procedures.
- Establish a website for the posting of solicitation documents.
- Receive and examine all ballots and master ballots cast by voting parties. Date- and time-stamp the originals of all such ballots and master ballots upon receipt.
- Tabulate all ballots and master ballots received prior to the voting deadline in accordance with established procedures, and prepare a vote declaration or certification for filing with the court.
- Undertake such other duties as may be requested by the Client.

MISCELLANEOUS

- Provide such other claims processing, noticing and related administrative services as may be requested from time to time by the Debtors.
- Promptly comply with such further conditions and requirements as the Court may at any time prescribe.
- Comply with applicable federal, state, municipal, and local statutes, ordinances, rules, regulations, orders and other requirements.
- Provide temporary employees to the Clerk's Office to process claims, as necessary.



EXHIBIT B

PRICING SCHEDULE

Professional Services

<u>Title</u>	<u>Hourly Rate Range</u>	<u>Average Rate</u>
Clerk	\$36 - \$54	\$ 45.00
Case Manager (Level 1)	\$112 - \$157	\$128.25
IT Programming Consultant	\$126 - \$171	\$148.50
Case Manager (Level 2)	\$166 - \$198	\$182.25
Senior Case Manager	\$202 - \$247	\$222.75
Senior Consultant	\$265	\$265

Note: Professional services provided by Senior Consultants in connection with public securities solicitation and tabulation will range from \$360 to \$415 per hour. Epiq does not include a premium/overtime charge for any of the professional services it performs. However, outside vendors utilized by Epiq may include a premium / overtime charge for work performed on a weekend, holiday or after standard business hours.

Claims Management Services

Database Maintenance	\$0.10 per creditor record per month
Data Transfer	\$0.10 per creditor record
Manual Claim Input	\$0.10 per claim (plus hourly rates)
Document Storage	At Cost
Electronic Imaging	\$0.20 per image
OCR ¹ capture	\$0.10 per image
CD Storage	Varies upon requirements
Weblink Hosting Fee	\$200.00 per month
Website Construction	\$150.00 per hour

Call Center Services

Standard Call Center Setup	\$1,500
Call Center Operator	\$75 per hour
Voice Recorded Message	\$0.19 per minute
Support/Maintenance	\$100 per month

¹ OCR refers to optical character recognition, which is an enhanced form of electronic imaging.



Virtual Data Room Services

Confidential On-line Workspace	\$1.30 per page per 9 months
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Noticing Services

Printing	\$0.09 per image (plus envelope face)
Collate, fold and insert	\$0.09 per piece
Postage/Overnight Delivery	At Cost
E-Mail Noticing	\$0.02 per page
Fax Noticing	\$0.10 per page
Claim Acknowledgement Card	\$0.15 per card
Publication Noticing	TBD

Note: Fees and costs associated with publication of a legal notice will vary depending on the size, timing and breadth of publication, as well as the periodicals selected for publication. Epiq will obtain quotes for publication upon request of the Client.

Public Securities Balloting/Tabulation Services

Noticing

Street Name Holders	\$15,000
Registered Holders	\$0.50 - \$0.65 per holder (Two paper notices included in the same envelope; subject to a \$500 minimum)
Individual Parties	\$1.75 - \$2.25 per voting package (Subject to a \$750 minimum)
CUSIP/ISIN Charge	\$3,000 per CUSIP/ISIN
Tabulation	\$125 per hour
Tabulation Set up	\$1,000 for each tabulation element (e.g., each security or plan class)
Document Hosting Fee	\$150 per month

Disbursement Services

Check and/or Form 1099	\$1.50 each
Record to Transfer Agent	\$0.25 each

EXHIBIT B

McElhinney Declaration

4. Prior to the Relief Date, the Debtors paid to Epiq a retainer of \$30,000.
5. Epiq represents, among other things, that:
 - it is not employed by the United States and shall not seek any compensation from the United States for this particular engagement;
 - by accepting employment in the case, it waives any rights to receive compensation from the United States in this particular bankruptcy proceeding;
 - it is not an agent of the United States and is not acting on behalf of the United States;
 - it will not willingly misrepresent any fact to the public; and
 - it will not employ any past or present employee of the Debtors for work involving the Debtors' chapter 11 cases.

6. Epiq has substantial experience in the matters upon which it is to be engaged.

Epiq has provided identical or substantially similar services in the following large chapter 11 cases, among others: *In re Titlemax Holdings, LLC*, Case No. 09-40805 (LWD) (Bankr. S.D. Ga. Apr. 20, 2009) [Docket No. 27], *In re Old Carco LLC (f/k/a Chrysler LLC), et al.*, Case No. 09-50002 (AJG) (Bankr. S.D.N.Y. May 4, 2009); *In re Journal Register Company, et al.*, Case No. 09-10769 (ALG) (Bankr. S.D.N.Y. Mar. 18, 2009); *In re Lyondell Chemical Company, et al.*, Case No. 09-10023 (REG) (Bankr. S.D.N.Y. Jan. 8, 2009); and *In re Lehman Brothers Holdings Inc., et al.*, Case No. 08-13555 (JMP) (Bankr. S.D.N.Y. Sept. 16, 2008); *In re Pacific Ethanol Holding Co. LLC., et al.*, Case No. 09-11713 (KG) (Bankr. D. Del. May 17, 2009); *In re Crucible Materials Corp., et al.*, Case No. 09-11582 (MFW) (Bankr. D. Del. May 6, 2009); *In re Stock Building Supply Holdings, LLC, et al.*, Case No. 09-11554 (MFW) (Bankr. D. Del. May 6, 2009); *In re Norwood Promotional Products Holdings, Inc., et al.*, Case No. 09-11547 (PJW) (Bankr. D. Del. May 5, 2009); *In re Filene's Basement (n/k/a) FB Liquidating Estate, et al.*, Case No. 09-11525 (MFW) (Bankr. D. Del. May 4, 2009); *In re AbitibiBowater Inc., et al.*, Case No. 09-11296 (KJC) (Bankr. D. Del. Apr. 16, 2009).

7. Epiq does not have or represent any interest materially adverse to the interests of the Debtors by reason of any direct or indirect relationship to, or connection with, any class of creditors of the Debtors, or for any other reason. Except as described herein, Epiq has no connection with the Debtors, their creditors or other parties in interest in these cases. Epiq serves as claims and noticing agent in the bankruptcy case for Muzak Holdings, LLC and related debtors pending in the District of Delaware (Case No. 09-10422), which entities may be creditors or parties-in-interest in these cases. Given the administrative nature of Epiq's role in each of these cases, Epiq does not view such engagements to constitute real or potential conflicts of interest. Further, Epiq does not hold or represent any interest adverse to the Debtors' estates.

8. To the best of my knowledge, Epiq is a "disinterested person" as that term is defined in section 101(14) of Title 11 of the United States Code (as amended, the "Bankruptcy Code") and as that definition is modified by section 1107(b) of the Bankruptcy Code.

9. Epiq will conduct an ongoing review of its files to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new facts or circumstances are discovered, Epiq will supplement its disclosure to the Court.

10. Epiq has not been retained to assist any entity or person other than the Debtors on matters relating to these chapter 11 cases. If Epiq's proposed retention is approved by this Court, Epiq will not accept any engagement or perform any service for any entity or person other than the Debtors in these chapter 11 cases. Epiq may, however, provide professional services to entities or persons that may be creditors or parties in interest in these chapter 11 cases, provided that such services do not relate to the Debtors or their chapter 11 cases. In addition, Epiq may use services provided by vendors that may be creditors or parties-in-interest of the Debtors.

11. Epiq shares a corporate parent with certain companies that provide integrated technology products and services to the legal profession for electronic discovery, class action settlements, financial transactions, Chapter 7 and 13 bankruptcy, litigation, and regulatory compliance. Given the legal and operational separateness of Epiq from its affiliates and the administrative nature of the services performed by such companies, Epiq does not believe that a conflict would arise solely from any relationship or claim of an Epiq affiliate or its corporate parent.

12. To the best of my knowledge, neither Epiq, nor any of its professional personnel, have any relationship with the Debtors that would impair Epiq's ability to serve as claims agent. Epiq has working relationships with certain of the professionals retained by the Debtors and other parties herein but such relationships are completely unrelated to these chapter 11 cases. In addition, Epiq personnel may have relationships with some of the Debtors' creditors; however, such relationships are of a personal financial nature and completely unrelated to these chapter 11 cases. Epiq has and will continue to represent clients in matters unrelated to these chapter 11 cases and has had and will continue to have relationships in the ordinary course of its business with certain vendors and professionals in connection with matters unrelated to these cases.

13. Epiq will comply with all requests of the Clerk and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).

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

Executed on August 10, 2010, at New York, New York.

/s/ Daniel C. McElhinney
Daniel C. McElhinney

EXHIBIT C

Proposed Order

in the Application is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief. Accordingly, it is hereby ORDERED as follows:

1. The Application is GRANTED.
2. The terms and conditions of this Order shall be immediately effective and enforceable as of the Petition Date.
3. The Debtors are authorized to retain Epiq as claims, noticing and balloting agent to perform the services described in the Application.
4. Epiq shall not be required to file fee applications with this Court pursuant to sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”) on account of the services provided by Epiq. Epiq shall be compensated by the Debtors on the terms contained in the agreement attached as Exhibit A to the Application. The fees and expenses of Epiq incurred in the performance of services shall be treated as administrative expenses of the estate, and be paid by the Debtors in the ordinary course of business.
5. Upon closing of these Chapter 11 cases, Epiq shall return all proofs of claim received by it and the official claims registry to the Clerk’s Office.
6. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.
7. Counsel to the Debtors is directed to serve a copy of this Order on all parties on the Master Service List within three (3) days of the entry of this Order and to file a certificate of service with the Clerk of the Court.

SO ORDERED, this ____ day of _____ 2010
Brunswick, Georgia

UNITED STATES BANKRUPTCY JUDGE

Prepared and presented by:

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