

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
	:	
DEWEY & LEBOEUF LLP,	:	Case No. 12-12321 (MG)
	:	
Debtor.	:	
	:	
-----X	:	

**THIRD SUPPLEMENTAL ORDER
FURTHER EXTENDING AND MODIFYING THE FINAL ORDER (1) AUTHORIZING
USE OF CASH COLLATERAL, (2) GRANTING ADEQUATE PROTECTION, AND
(3) MODIFYING THE AUTOMATIC STAY**

THIS MATTER having come before the Court upon the expedited motion for entry of a supplemental order (the “Supplemental Order”), pursuant to 11 U.S.C. §§ 105, 361, 362, 363 and 507, and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure authorizing (1) the continued use of cash collateral, (2) granting adequate protection, and (3) modifying the automatic stay the (“Expedited Motion”)¹ [Docket No. 297] of Dewey & LeBoeuf LLP (the “Debtor”) in the above-captioned chapter 11 case, further extending and modifying the Final Order, dated June 13, 2012, (1) Authorizing the Continued Use of Cash Collateral, (2) Granting Adequate Protection, (3) Modifying the Automatic Stay [Docket No. 91]; and the Court having considered the Expedited Motion, the Declaration of Jonathan A. Mitchell, in support of the Expedited Motion; and upon all of the pleadings filed with the Court and all of the proceedings held before the Court; and the Supplemental Order having been entered on July 31, 2012 [Docket No. 306], and a Second Supplemental Order having been entered on August

¹ Unless otherwise defined herein, capitalized terms shall have the meaning ascribed in the Expedited Motion or in the Final Order.

15, 2012 [Docket No. 344]; and after due deliberation and consideration; and for good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Final Order, the Supplemental Order, and the Second Supplemental Order shall remain in full force and effect except as expressly modified herein.

2. The definition of Specified Period in the Final Order shall be further amended to mean the period from the Petition Date through the date which is earlier to occur of (a) 11:59 p.m. (Eastern time) on the fifth (5th) day following the Termination Declaration Date, or (b) 11:59 p.m. (Eastern time) on November 4, 2012. Notwithstanding the foregoing, to the extent that the Creditors' Committee determines to interpose an objection to the continued use of Cash Collateral on the terms set forth in the Final Order as supplemented by the Supplemental Order, the Second Supplemental Order and this Order, the Creditors' Committee may be heard by the Court at a hearing on October 25, 2012 at 11:00 a.m. provided that the Creditors' Committee provide written notice of such objection to the Debtor's counsel (atogut@teamtogut.com; bmoore@teamtogut.com) and to counsel to the Collateral Agent (keckstein@kramerlevin.com; rschmidt@kramerlevin.com; deggermann@kramerlevin.com) to be received by no later than 5:00 p.m. on October 18, 2012.

3. Any time after October 20, 2012, the Collateral Agent may deliver a Termination Declaration in accordance with paragraph 15 of the Final Order, whether or not an Event of Default has occurred or is continuing.

4. The Budget shall include the budget attached hereto as Exhibit A.

5. Subsection (iii) of paragraph 11(e) of the Final Order shall be replaced with the following: "on each business day a daily report, in form and substance acceptable to the

Collateral Agent, showing the accounts receivable collections and other receipts, as of the close of business of the previous day;”.

6. The Debtor’s obligations set forth in Section 11 of the Final Order shall be supplemented to provide that the Debtor provide the Collateral Agent, the Creditors’ Committee and the Former Partners’ Committee (a) within three (3) business days after the end of each week, in form and substance acceptable to the Collateral Agent, a report showing the amount (bank balances) of cash outstanding in each of the Debtor’s accounts (foreign and domestic), listing of all disbursements made in the prior week and a summary of the Debtor’s accounts receivable and work-in-progress, in each case, as of the close of business at the end of the previous week, and (b) within seven (7) business days after the end of each month, in form and substance acceptable to the Collateral Agent, a detailed collectability report on all accounts receivable and works-in-progress that exceed \$250,000, and update such report on a monthly basis.

7. The Challenge Period as defined in paragraph 18 of the Final Order and as extended in the Second Supplemental Order, shall be extended for an additional 30 days without prejudice to the seeking of a further extension under paragraph 18 of the Final Order.

8. The provisions of this Order shall be effective immediately upon entry of this Order pursuant to Bankruptcy Rules 4001(b), 6004(h) and 7062.

SO ORDERED by the Court this 28th day of September, 2012.

/s/Martin Glenn
MARTIN GLENN
United States Bankruptcy Judge

Exhibit A

Budget

Dewey & LeBoeuf LLP
Domestic Weekly Cash Flow Budget
For the week ending 10/7/12 through 11/4/12
(amounts in thousands USD)

Week Ending	10/7/2012	10/14/2012	10/21/2012	10/28/2012	11/4/2012	Total
Receipts						
Client	1,236	1,442	1,648	1,854	2,060	8,239
Others ¹	-	-	-	-	-	-
Total Receipts	1,236	1,442	1,648	1,854	2,060	8,239
Disbursements						
Employee Expenses						
Wind Down Compensation ²	-	(200)	-	(641)	-	(840)
Dissolution Committee ³	(58)	(58)	(58)	(58)	(58)	(290)
Benefits	(40)	-	-	-	-	(40)
Employee Expense Reimbursements	(5)	(5)	(5)	(5)	(5)	(25)
Operating Expenses						
Occupancy Expenses ⁴	(262)	-	-	-	(252)	(514)
Datacenter / DR Co-lo	-	-	-	-	-	-
Leased Equipment	-	(185)	-	-	-	(185)
Professional Liability Insurance	-	-	-	-	-	-
General Insurance	-	-	-	-	-	-
IT / Critical Systems	(85)	-	(75)	-	(95)	(255)
Records Management/Storage	(138)	(125)	-	-	(138)	(401)
Communication	-	(19)	-	(19)	-	(38)
Taxes	-	-	-	-	-	-
Other Professionals	(10)	(10)	(10)	(10)	(10)	(50)
On-Site Collection Fees ⁵	(168)	-	-	-	(144)	(312)
Restructuring Expenses - Dewey ⁵	-	-	(1,815)	-	-	(1,815)
Restructuring Expenses - Lenders ⁵	-	(1,110)	-	-	-	(1,110)
UCC Professionals ⁵	-	-	-	(533)	-	(533)
Other Operating Expenses	(50)	(50)	(50)	(50)	(50)	(250)
Total Disbursements	(816)	(1,762)	(2,013)	(1,316)	(752)	(6,659)
AR Proceeds Account ⁶	10,000	10,420	10,100	9,734	10,273	
Concentration Account/Other ⁶	-	-	-	-	-	
Total Opening Book Balance⁶	10,000	10,420	10,100	9,734	10,273	10,000
Net Cash Flow	420	(320)	(365)	538	1,308	1,580
Available Cash Prior to Sweep	10,420	10,100	9,734	10,273	11,580	11,580

- 1) Excludes all proceeds associated with the PCP, liquidation of foreign offices, Jewel v. Boxer, breach of fiduciary duty, insurance captive refund, sale of artwork and preferences actions
- 2) Payroll is authorized to be paid as accrued. Includes all PTO and retention bonuses.
- 3) Assumes Stephen Horvath's and Janis Meyer's employment extends through November.
- 4) Estimated rent payments for occupied space. Rent for November and beyond is currently being negotiated with the landlord. Includes utility costs.
- 5) Professional fee payments are subject to fee applications and are excluded from disbursement covenant calculations.
- 6) Assumes beginning cash is swept to \$10 million. Assumes accruals from prior periods are excluded from the sweep.

Dewey & LeBoeuf LLP
Domestic Weekly Cash Flow Budget
For the week ending 10/7/12 through 11/4/12
(amounts in thousands USD)

Week Ending	10/7/2012	10/14/2012	10/21/2012	10/28/2012	11/4/2012	Total
Restructuring Dewey (thousands usd):						
Zolfo Cooper ¹	150	150	150	150	150	750
DSI						-
Epiq		100				100
Goldin ¹	10	10	10	10	10	50
Other Retained Professionals						-
Togut ¹	228	228	228	228	228	1,140
	388	488	388	388	388	2,040
Restructuring Lenders (thousands usd):						
FII ¹	75	75	75	75	75	375
Kramer Levin ¹	90	90	90	90	90	450
Allen & Overy ¹	7	7	7	7	7	35
Bingham ¹	50	50	50	50	50	250
	222	222	222	222	222	1,110
UCC Professionals (thousands usd):						
Brown Rudnick ¹	70	70	70	70	70	350
Deloitte ¹	31	31	31	31	31	155
Kasowitz ¹	30	30	30	30	30	150
	131	131	131	131	131	655
Total Restructuring	741	841	741	741	741	3,805

1) Represents an estimate for the forecast period. For presentation purposes it is straight lined on an average weekly basis.