

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

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	:	
In re	:	Chapter 11
	:	
MMC Precision Holdings Corp., <i>et al.</i> , <sup>1</sup>	:	Case No. 09-_____ (____)
	:	
Debtors.	:	(Jointly Administered)
	:	
	X	

**MOTION OF DEBTORS AND DEBTORS IN POSSESSION FOR AN  
ORDER APPOINTING KURTZMAN CARSON CONSULTANTS LLC AS  
CLAIMS, NOTICING AND BALLOTING AGENT, AND APPROVING  
THE FORM AND MANNER OF NOTICE OF SECTION 341 MEETING**

The above-captioned debtors (collectively, the “Debtors”) hereby move the Court for entry of an order pursuant to section 341 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), 28 U.S.C. § 156(c) and Rule 2002-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”): (i) appointing Kurtzman Carson Consultants LLC (“KCC”) to perform certain claims, noticing and balloting functions in these chapter 11 cases (the “Claims Agent”), (ii) approving the form and manner of notice of the initial meeting of the Debtors’ creditors and (iii) granting certain related relief (the “Motion”). In support of this Motion, the Debtors incorporate the statements contained in the Affidavit of Frank C. Lukacs in Support of First-Day Motions (the

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<sup>1</sup> The Debtors are the following 8 entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): MMC Precision Holdings Corp., a Delaware corporation (6899), Morton Industrial Group, Inc., a Delaware corporation (1650), Morton Metalcraft Co., an Illinois corporation (3616), Morton Metalcraft Co. of North Carolina, a North Carolina corporation (0199), Morton Technical Services, Inc., an Illinois corporation (4966), B&W Metal Fabricators, Inc., a North Carolina corporation (1150), Morton Metalcraft Co. of Pennsylvania, a Pennsylvania corporation (4526) and Morton Metalcraft Co. of South Carolina, a South Carolina corporation (2687). The address of each of the Debtors is 1021 W. Birchwood Street, Morton, IL 61550.



“Lukacs Affidavit”) filed substantially contemporaneously herewith and further respectfully state as follows:

### **Jurisdiction and Venue**

1. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409.

### **Background**

2. On March 22, 2009 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “Bankruptcy Cases”). The Debtors are continuing to operate their businesses as debtors and debtors in possession under sections 1107 and 1108 of the Bankruptcy Code. No trustee or official committee of unsecured creditors has been appointed in these cases.

3. The Debtors are in the business of manufacturing highly engineered metal components and subassemblies for a wide range of large and prestigious, construction, industrial, and agricultural original equipment manufacturers (“OEMs”) on a contractual basis. The Debtors’ products include engine enclosures, panels, platforms, frames, tanks and other components used in backhoes, excavators, tractors, wheel loaders, power generators, turf care equipment and similar industrial equipment. The Debtors’ superior competitive strengths have resulted in strong, focused relationships with customers such as Deere & Co. (“Deere”), Caterpillar Inc. (“Caterpillar”), JLG Industries, Inc. (“JLG”), Kubota Manufacturing of America and Winnebago Industries, Inc. Deere, Caterpillar, and JLG, who together generated over 90% of the Debtors’ 2008 net sales, are the Debtors’ largest customers. MMC Precision Holdings Corp. (“Parent”) is the direct parent and/or the indirect 100% equity owner of each of the

remaining Debtors.

4. The Debtors have five manufacturing facilities strategically located in the Midwestern, Northeastern and Southeastern United States in close proximity to the Debtors' customers' manufacturing and assembly facilities. Two of the Debtors' facilities are located in Morton, Illinois, two are located in North Carolina (Welcome and Apex) and one of the Debtors' facilities is located in Bedford, Pennsylvania. The revenues generated from the facilities located in Morton, Illinois accounted for approximately 65% of the Debtors' 2008 total revenues.

5. As of February 28, 2009, the Debtors had 993 employees, of which 170 were salaried and 823 were hourly. None of the Debtors' employees are subject to collective bargaining agreements.

6. For fiscal year ended December 31, 2008, the Debtors had net sales on a consolidated unaudited basis of approximately \$208,883,000. For the fiscal years ended December 31, 2008, 2007 and 2006, the Debtors had net losses on a consolidated unaudited basis of \$6,682,000, \$16,504,000, and \$4,783,000, respectively. The Debtors' interest bearing liabilities totaled approximately \$78,074,333.37 at March 15, 2009.

7. Several factors have severely impacted the Debtors' business, prompting the liquidity pressures that precipitated the decision to commence these chapter 11 cases. The Debtors incurred significant losses from their continued operations and anticipate experiencing at least a 40% drop off in sales in 2009 compared with 2008. Sales for January and February 2009, compared with comparable data for January and February 2008, are down 32% which has led to an immediate liquidity need. In addition, the Debtors, like so many other businesses, have been severely impacted by deteriorating economic conditions and lack of available credit in the capital and credit markets.

8. To assist in addressing these financial difficulties, the Debtors retained AlixPartners (“Alix”) to assist the Debtors with restructuring their debt, raising new capital and reducing their costs. These efforts have been successful in both ensuring that the Debtors had adequate short-term liquidity and shoring up commercial relationships with the Debtors’ critical suppliers and customers. As to the former, on February 20, 2009, the Debtors secured an additional \$2,000,000 in revolving credit from their prepetition secured lenders pursuant to a second amendment and waiver of defaults of the Debtors’ prepetition senior credit agreement. As to the latter, the Debtors have worked diligently with their suppliers and customers so that the Debtors can continue their production of top-quality components and subassemblies.

9. Notwithstanding the Debtors’ diligent pursuit of out-of-court alternatives, in the end, the continued deterioration in the market for their products and the increasing pressure from the Debtors’ lenders, vendors and creditors, have required that the Debtors commence these cases to: (a) address their pressing liquidity problems, (b) provide the opportunity to, among other things, stabilize the Debtors’ business through structural improvements and the evaluation and elimination of liabilities that serve only as a drain on the Debtors’ profitability and (c) allow the Debtors to work toward a restructuring through a prompt and efficient “going concern” sale of substantially all of their assets pursuant to section 363 of the Bankruptcy Code (the “Sale”).

10. The Debtors believe that this strategy will allow them to meet several critical objectives, including allowing the ongoing operation of the Debtors’ business without interruption to supplier and customer relationships.

### **Relief Requested**

11. Bankruptcy Rule 2002 describes certain notices that must be provided to creditors and other parties in interest in bankruptcy cases. Under Bankruptcy Rule 2002, the

Court may direct that some person other than the Clerk of the Court provide notice of the various matters described therein. In addition, 28 U.S.C. § 156(c) expressly authorizes the use of non-court services for noticing:

Any court may utilize . . . services, either on or off the court's premises, which pertain to the provision of notices . . . to parties in cases filed under the provisions of title 11 . . . . The utilization of such . . . services shall be subject to such conditions and limitations as the pertinent circuit council may prescribe.

28 U.S.C. § 156(c). Local Rule 2002-1(f) requires debtors with more than 200 creditors to file a motion for retention of notice and/or claims agents within ten days of their petition date. Local Rule 2002-1(f) authorizes such notice and/or claims agent to: “(i) prepare and serve all notices required in the case; (ii) maintain copies of all proofs of claim and proofs of interest filed in the case; (iii) maintain the official claims register; (iv) maintain an up-to-date mailing list of all creditors and all entities who have filed proofs of claim or interest and/or requests for notices in the case; (v) assist the debtors with the reconciliation and resolution of claims; and (vi) mail and tabulate ballots for purposes of voting in chapter 11 cases.”

### ***The Need for a Claims Agent***

12. The hundreds of creditors and other parties in interest involved in the Debtors' chapter 11 cases may impose heavy administrative and other burdens upon the Court and the Office of the Clerk of this Court (the “Clerk's Office”). To relieve the Court and the Clerk's Office of these burdens, the Debtors propose to appoint KCC as claims, noticing and balloting agent in these chapter 11 cases.

### ***Qualifications of KCC***

13. KCC is a data processing firm that specializes in chapter 11 administration, including noticing, claims processing, solicitation, ballot tabulation and other administrative tasks in chapter 11 cases. The Debtors believe that KCC's assistance will

expedite service of notices, streamline the claims administration process and permit the Debtors to focus efficiently on their reorganization efforts. The Debtors believe that KCC is well qualified to provide such services. As set forth in the affidavit of Michael J. Frishberg, Vice President of Corporate Restructuring Services (the "Frishberg Affidavit"), a copy of which is attached hereto as Exhibit A, KCC has provided identical or substantially similar services in other chapter 11 cases in this district, including In re Gottschalks Inc., Case No. 09-10157 (Bankr. D. Del. 2009); In re Aleris International Inc., et al., Case No. 09-10478 (Bankr. D. Del. 2009); In re HPG International, Inc., et al., Case No. 09-10231 (Bankr. D. Del. 2009); In re Archway Cookies LLC, et al., Case No. 08-12323 (Bankr. D. Del. 2008); In re Washington Mutual, Inc., et al., Case No. 08-12229 (Bankr. D. Del. 2008); In re Motor Coach Industries International, Inc., et al., Case No. 08-12136 (Bankr. D. Del. 2008); In re Boscov's, Inc., et al., Case No. 08-11637 (Bankr. D. Del. 2008); In re Mervyn's Holdings, LLC, et al., Case No. 08-11586 (Bankr. D. Del. 2008); and In re Linens Holding Co., et al., Case No. 08-10832 (CSS) (Bankr. D. Del. 2008).

***The Debtors' Agreement with KCC***

14. Pursuant to an agreement for services between KCC and the Debtors dated as of March 22, 2009, a copy of which is attached hereto as Exhibit B (the "Services Agreement"), KCC will perform various noticing, claims management and reconciliation, plan solicitation, balloting, disbursement and other services (collectively, the "Services"), if necessary, at the request of the Debtors or the Clerk's Office. Such Services may include, for instance:

- (a) assisting with creditor matrix compilation, relevant notice party list creation, preparation of required schedules and statements of financial affairs and the design and execution of first-day filing campaigns;

- (b) creating and hosting a case-specific website to provide access to information and documents to creditors and the general public related to the Debtors' chapter 11 cases;
- (c) creating and distributing personalized claim forms to creditors and other interested parties;
- (d) coordinating receipt of proofs of claim filed with the Court, providing secure storage for all original proofs of claim and maintaining the official claims register;
- (e) facilitating the claims-reconciliation process by matching filed claims to scheduled liabilities, identifying duplicate and amended claims, locating wrong-debtor or multiple-debtor claims and generating necessary reports to be used as exhibits for claims objections. When necessary KCC may record claim transfers and provide required notice to affected parties;
- (f) implementing virtual data room solutions to help expedite contract review, streamlining asset sales or facilitating legal proceedings in conjunction with the Debtors' restructuring;
- (g) creating, managing, producing and distributing all notices, including placement of legal notices and preparation of affidavits of service for filing with the Court to document the distribution of notices;
- (h) assistance with the Debtors' schedules of assets and liabilities and statements of financial affairs;
- (i) assistance with solicitation of votes and tabulation of ballots in connection with a plan of reorganization;
- (j) performing disbursement services, such as designated bank account management, calculation of distribution amounts and coordination of distribution of proceeds to creditors; and
- (k) providing such other claims processing, noticing, balloting and administrative services as may be requested from time to time by the Debtors.

15. The amounts charged by KCC in connection with this appointment will not exceed the amounts set forth in the Services Agreement, except to the extent such amounts are subject to ordinary increase for 2009, in accordance with KCC's established billing practices and procedures. The Debtors believe that the compensation to be paid to KCC pursuant to the

Services Agreement is fair and reasonable. The Debtors have provided KCC with a retainer in the amount of \$25,000 which will be held by KCC during the chapter 11 cases solely for the payment of expenses incurred under the Services Agreement.

***KCC's Disinterestedness and Representation***

16. As an administrative agent and adjunct to the Court, the Debtors do not believe that KCC is a “professional” whose retention is subject to approval under section 327 of the Bankruptcy Code or whose compensation is subject to approval of the Court under sections 330 and 331 of the Bankruptcy Code. The Debtors nonetheless requested that KCC conduct a conflicts check to determine whether it meets the “disinterestedness” standard of section 327(a) of the Bankruptcy Code. The results of this conflicts check are set forth in the Frishberg Affidavit attached hereto as Exhibit A.

17. In reliance on the Frishberg Affidavit, the Debtors believe that KCC does not hold or represent an interest materially adverse to the Debtors’ estates. Further, in reliance on the Frishberg Affidavit, the Debtors also believe that KCC is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code because its members and employees:

- (a) are not creditors, equity security holders or insiders of the Debtors;
- (b) are not and were not, within two years before the date of filing of the Debtors’ chapter 11 petitions, directors, officers or employees of the Debtors; and
- (c) do not have interests materially adverse to the interest of the Debtors’ estates or 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.

18. As part of its retention, KCC agrees, among other things, that:

- (a) KCC will not consider itself employed by the United States government and will not seek any compensation from the United States government in its capacity as the 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 Claims Agent in these chapter 11 cases, KCC will not be an agent of the United States government and will not act on behalf of the United States government; and
- (d) KCC will not employ employees of the Debtors in connection with its work as the Claims Agent in these chapter 11 cases.

19. Because of the size of the Debtors' cases, the number of creditors and parties in interest and KCC's experience, the Debtors believe that the appointment of KCC as the Claims Agent is appropriate and in the best interests of the Debtors' estates.

***Approval of the Form and Manner of Notice of the Initial Meeting of Creditors***

20. The Debtors further request authority for KCC to serve a notice of the commencement of these chapter 11 cases (the "Case Commencement Notice") and the initial meeting of creditors under section 341(a) of the Bankruptcy Code (the "Section 341 Meeting") substantially in the form of Official Bankruptcy Form 9F (for chapter 11 cases), subject to revisions agreed to by the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee"). The Case Commencement Notice would be served by regular mail, postage prepaid, on those entities entitled to receive such notice pursuant to Bankruptcy Rule 2002 no later than five business days after the Debtors receive notice from the U.S. Trustee of the time and place of the Section 341 Meeting. The Debtors hereby request that the Court approve the foregoing as providing sufficient notice of the commencement of these chapter 11 cases and the Section 341 Meeting. In an effort to reduce the administrative expenses related to KCC's retention, the Debtors seek authorization to pay KCC's fees and expenses without the necessity of KCC filing formal fee applications.

### ***Approval of Chapter 7 Services***

21. Finally, in the event any of these chapter 11 cases convert to cases under chapter 7 of the Bankruptcy Code, the Debtors further request authority for KCC to continue to be paid by the estates for its services until the claims filed in the chapter 11 cases have been turned over to the control of the Bankruptcy Court, which process KCC shall commence immediately after any such conversion. If the chapter 7 trustee determines that claims agent representation is necessary in the converted chapter 7 case(s), KCC will be paid by the chapter 7 estates in accordance with 28 U.S.C. §156(c) under the terms set out herein.

### **Notice**

22. Notice of this Motion has been provided to: (i) the Office of the United States Trustee for the District of Delaware; (ii) the Debtors' twenty largest unsecured creditors on a consolidated basis, as identified in their chapter 11 petitions; and (iii) counsel to the administrative agent for the Debtors' prepetition and proposed postpetition secured lenders. As this Motion is seeking first-day relief, notice of this Motion and any order entered hereon will be served on all parties required by Local Rule 9013-1(m). Due to the urgency of the circumstances surrounding this Motion and the nature of the relief herein, the Debtors' respectfully submit that no further notice of this Motion is required.

### **No Prior Request**

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

[Remainder of Page Intentionally Left Blank]

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit C: (i) granting the relief requested herein and (ii) granting to the Debtors such other and further relief as the Court may deem proper.

Dated: March 22, 2009  
Wilmington, Delaware

Respectfully submitted,



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Paul N. Heath (DE 3704)  
Maris J. Finnegan (*DE admission pending*)  
Drew G. Sloan (DE 5069)  
RICHARDS, LAYTON & FINGER, P.A.  
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-and-

Richard A. Chesley (IL 6240877)  
Gregory S. Otsuka (IL 6270388)  
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Email: richardchesley@paulhastings.com  
gregoryotsuka@paulhastings.com  
hillajimenez@paulhastings.com

PROPOSED ATTORNEYS FOR DEBTORS AND  
DEBTORS IN POSSESSION

**EXHIBIT A**

**Affidavit of Michael J. Frishberg**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

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	:	
In re	:	Chapter 11
	:	
MMC Precision Holdings Corp., <i>et al.</i> , <sup>1</sup>	:	Case No. 09-_____ (____)
	:	
Debtors.	:	(Jointly Administered)
	:	
	-----X	

**AFFIDAVIT OF MICHAEL J. FRISHBERG IN SUPPORT  
OF DEBTORS AND DEBTORS IN POSSESSION FOR AN  
ORDER APPOINTING KURTZMAN CARSON CONSULTANTS LLC AS  
CLAIMS, NOTICING AND BALLOTING AGENT, AND APPROVING  
THE FORM AND MANNER OF NOTICE OF SECTION 341 MEETING**

STATE OF CALIFORNIA	)	
	)	
COUNTY OF LOS ANGELES	)	

Michael J. Frishberg, being duly sworn, deposes and says:

1. I am the Vice President of Corporate Restructuring Services of Kurtzman Carson Consultants LLC ("KCC"), chapter 11 administrative claims consultants, notice agents and analysts, whose offices are located at 2335 Alaska Avenue, El Segundo, California 90245. I submit this affidavit in support of the motion (the "Motion") of the above-captioned debtors and debtors in possession (the "Debtors") for entry of an order authorizing the retention and

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<sup>1</sup> The Debtors are the following 8 entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): MMC Precision Holdings Corp., a Delaware corporation (6899), Morton Industrial Group, Inc., a Delaware corporation (1650), Morton Metalcraft Co., an Illinois corporation (3616), Morton Metalcraft Co. of North Carolina, a North Carolina corporation (0199), Morton Technical Services, Inc., an Illinois corporation (4966), B&W Metal Fabricators, Inc., a North Carolina corporation (1150), Morton Metalcraft Co. of Pennsylvania, a Pennsylvania corporation (4526) and Morton Metalcraft Co. of South Carolina, a South Carolina corporation (2687). The address of each of the Debtors is 1021 W. Birchwood Street, Morton, IL 61550.

employment of KCC as claims, noticing and balloting agent to the Debtors. Except as otherwise noted, I have personal knowledge of the matters set forth herein.

2. KCC is a data processing firm that specializes in chapter 11 administration, including noticing, claims processing, solicitation, ballot tabulation and other administrative tasks in chapter 11 cases. KCC's assistance will expedite service of notices, streamline the claims administration process and permit the Debtors to focus efficiently on their reorganization efforts. KCC is well qualified to provide such services. KCC has provided identical or substantially similar services in other chapter 11 cases in this district, including Sharper Image Corporation, Tweeter Home Entertainment Group, Inc., Ultimate Electronics, Inc., Pope & Talbot, Inc. and NorthWestern Corporation.

3. KCC is well qualified to serve as the Debtors' claims, noticing and balloting agent in connection with these chapter 11 cases. KCC is fully equipped to handle the volume involved in properly sending the required notices to creditors and other interested parties and administering claims in these chapter 11 cases. KCC will comply with all requests of the Clerk of the Court and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).

4. Pursuant to the Agreement of Services dated March 3, 2009, a copy of which is attached to the Motion as an exhibit (the "Services Agreement"), KCC will perform the following noticing, claims management and reconciliation, plan solicitation, balloting and disbursement services, if necessary, at the request of the Debtors or the Clerk's Office:

- (a) assisting with creditor matrix compilation, relevant notice party list creation, preparation of required schedules and statements of financial affairs and the design and execution of first-day filing campaigns;

- (b) creating and hosting a case-specific website to provide access to information and documents to creditors and the general public related to the Debtors' chapter 11 cases;
- (c) creating and distributing personalized claim forms to creditors and other interested parties;
- (d) coordinating receipt of proofs of claim filed with the Court, providing secure storage for all original proofs of claim and maintaining the official claims register;
- (e) facilitating the claims-reconciliation process by matching filed claims to scheduled liabilities, identifying duplicate and amended claims, locating wrong-debtor or multiple-debtor claims and generating necessary reports to be used as exhibits for claims objections. When necessary KCC may record claim transfers and provide required notice to affected parties;
- (f) implementing virtual data room solutions to help expedite contract review, streamlining asset sales or facilitating legal proceedings in conjunction with the Debtors' restructuring;
- (g) creating, managing, producing and distributing all notices, including placement of legal notices and preparation of affidavits of service for filing with the Court to document the distribution of notices;
- (h) assistance with the Debtors' schedules of assets and liabilities and statements of financial affairs;
- (i) assistance with solicitation of votes and tabulation of ballots in connection with a plan of reorganization;
- (j) performing disbursement services, such as designated bank account management, calculation of distribution amounts and coordination of distribution of proceeds to creditors; and
- (k) providing such other claims processing, noticing, balloting and administrative services as may be requested from time to time by the Debtors.

5. KCC has no agreement with any entity to share with such entity (other than employees, contractors and affiliates) any compensation received by KCC in connection with these chapter 11 cases. KCC will maintain reasonably detailed records of any actual and necessary costs and expenses incurred in connection with the aforementioned services.

6. The amounts charged by KCC in connection with this appointment will not exceed the amounts set forth in the Services Agreement, except to the extent such amounts are subject to ordinary increase for 2009, in accordance with KCC's established billing practices and procedures. The Debtors have provided KCC with a security retainer in the amount of \$25,000 which will be held by KCC during the chapter 11 cases solely for the payment of expenses incurred under the Services Agreement. These rates are at least as favorable as the prices KCC charges in other chapter 11 cases in which the firm has been retained to perform similar services.

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. Other than as disclosed herein, to the best of my knowledge and belief, insofar as I have been able to ascertain after research and inquiry, I believe that KCC does not hold or represent an interest adverse to the Debtors' estates. To the best of my knowledge and belief, insofar as I have been able to ascertain after research and inquiry, I believe that KCC is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code in that its members and employees:

- (a) are not creditors, equity security holders or insiders of the Debtors;
- (b) are not and were not, within two years before the date of filing of the Debtors' chapter 11 petitions, directors, officers or employees of the Debtors; and

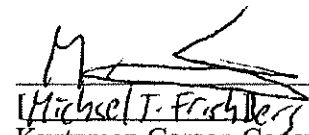


- (c) do not have interests materially adverse to the interest of the Debtors' estates or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with or interest in the Debtors, or for any other reason.

9. On behalf of KCC, I represent that:

- (a) KCC will not consider itself employed by the United States government and will not seek any compensation from the United States government in its capacity as the 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 Claims Agent in these chapter 11 cases, KCC will not be an agent of the United States government and will not act on behalf of the United States government; and
- (d) KCC will not employ any employees of the Debtors in connection with its work as the Claims Agent in these chapter 11 cases.

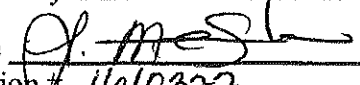
I declare under the penalty of perjury under applicable law that the foregoing is true and correct and that this affidavit was executed on March 20, 2009 at El Segundo, California.

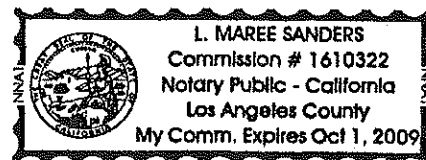
  
Michael J. Frishberg  
Kurtzman Carson Consultants LLC  
2335 Alaska Avenue  
El Segundo, California 90245

State of California  
County of Los Angeles

Subscribed and sworn to before me on this 20 day of March, 2009, by Michael J. Frishberg, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature   
Commission # 1610322  
My Comm. Expires 10-1-2009



**EXHIBIT B**

**Services Agreement**

*Morton Industrial Group, Inc.*

## KCC AGREEMENT FOR SERVICES

This Agreement is entered into as of the 31<sup>st</sup> day of March, 2009, between Morton Industrial (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 Company requested reports, (iii) program modifications, (iv) data base modifications, and/or (v) other features and services in accordance with the KCC Fee Structure.

C. Without limiting the generality of the foregoing, KCC may, 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

<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

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.

### 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 on the day such services and/or supplies are provided to the Company, in accordance with the KCC Fee Structure. KCC's prices are generally adjusted periodically to reflect changes in the business and economic environment.

B. Company agrees to pay fees set by KCC related to transportation, lodging, meals, publications, printing, postage and other third-party charges, in addition to the hourly consulting fees set forth in the KCC Fee Structure.

C. In addition to all fees for services and expenses hereunder, 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.

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.

E. KCC agrees to submit its invoices to the Company monthly, provided, however, where total fees and expenses are expected to exceed \$10,000 in any single month, KCC may require advance payment which will be due and payable upon demand and prior to the performance of services hereunder. Company agrees that the amount invoiced is due and payable upon its receipt of the invoice. If any amount is unpaid as of thirty (30) days from the receipt of the invoice, Company further agrees to pay a late charge, calculated as one and one-half percent (1-1/2%) of the amount unpaid every thirty (30) days. In the case of a dispute in the invoice amount, notice shall be given to KCC within ten (10) 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.

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 the Bankruptcy Court seeking entry of an order pursuant to Section

## KCC AGREEMENT FOR SERVICES

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. KCC shall receive a retainer in the amount of \$ 25,000.00 for services to be performed and expenses to be incurred in this matter due upon execution of this Agreement.

### 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. 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. 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 Company do not vest in the Company any rights in such property, it being understood that such property is only being made available for Company's use during and in connection with the services provided by KCC under this Agreement.

### IV. NON-SOLICITATION

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.

### 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 below). As used herein, the term "Cause" means (i) gross negligence or wanton misconduct of KCC that causes serious and material harm to the Company's reorganization under Chapter 11 of the Bankruptcy Code or (ii) the failure of the Company to pay KCC invoices for more than sixty (60) days from the date of invoice, or 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 shall provide all necessary staff, services and assistance required for an orderly transfer. 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 dispose of the data and media in the manner requested by the Company. The Company agrees to pay KCC for reasonable expenses incurred as a result of the disposition of data or media. KCC may dispose of the data or media, and be reimbursed for the expense of such disposition, after giving the Company thirty (30) days' notice if the Company has not utilized KCC's services under this Agreement for a period of at least ninety (90) days. Notwithstanding any term herein to the contrary, following entry of the Section 156(c) Order, the disposition of any data or media 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. OTHER MATTERS**

A. Company is responsible for the accuracy of the programs and data it or any Company Party submits for processing to KCC and for the output. Company agrees to initiate and maintain backup files that would allow Company to regenerate or duplicate all programs and data submitted by Company to KCC.

B. Company agrees that except as 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.

### **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**

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 on the day after the day it is sent if sent by overnight courier to the appropriate address set forth below:

## KCC AGREEMENT FOR SERVICES

Kurtzman Carson Consultants LLC  
2335 Alaska Ave.  
El Segundo, CA 90245  
Attn: James Le  
Tel: (310) 823-9000  
Fax: (310) 823-9133

Company *Morton Industrial Group, Inc*  
Address *1021 W. Birchwood Street*  
City, ST Zip *Morton, IL 61550-9617*  
Attn: *Rod Harrison*  
Tel: *309-263-1826*  
Fax: *309-263-3216*

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/ ENFORCEABILITY/ 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 and other agreements, oral and written between the parties relating to the subject matter of this Agreement. The Company 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 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 Company and an officer of KCC.

### XV. ASSIGNMENT

This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other, with the exception that this Agreement can be assigned by KCC to a wholly owned subsidiary of KCC.

### XVI. ARBITRATION

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be brought before the United States Bankruptcy Court for the District of Delaware in the first instance; thereafter, the Bankruptcy Court may, in its sole discretion, refer any matter to 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 the Los Angeles County, State of California.




## KCC AGREEMENT FOR SERVICES

### XVII. 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 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.

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

Kurtzman Carson Consultants LLC

  
BY: Michael T. Frishberg DATE: 3/3/09  
TITLE: VP, Corporate Restructuring Services

Company

  
BY: Darrell Jean DATE: 3/3/09  
TITLE: EVP/CEO

## KCC CORPORATE RESTRUCTURING FEE STRUCTURE

### FEEES

#### Consulting Services & Rates<sup>1</sup>

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Clerical	\$45.00 - \$65.00 per hour
Project Specialist	\$80.00 - \$140.00 per hour
Consultant	\$165.00 - \$245.00 per hour
Senior Consultant	\$255.00 - \$275.00 per hour
Senior Managing Consultant	\$295.00 - \$325.00 per hour
Technology/Programming Consultant	\$145.00 - \$195.00 per hour
Weekend, holidays and overtime	Waived

### EXPENSES<sup>2</sup>

#### KCC CaseView – Application Licensing, Web Hosting & Database Storage

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Case configuration	Applicable consulting fees
Remote set-up; training	Applicable consulting fees
Permitted users	\$250.00 per user per month
License fee and data storage	\$0.10 per creditor per month
	\$0.01 per image per month
Case-specific public website set-up	Waived
Case-specific public website hosting	\$500.00 per month
Case-specific voicemail box for creditor inquiries	Waived
Case-specific e-mail box for creditor inquiries	Waived

#### Claims Management & Administration

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Creditor import	\$0.20 per creditor
Proof of Claim input	\$0.25 per claim

<sup>1</sup> Please note that additional professional services not covered by this proposal will be charged at hourly rates, including any outsourced services performed under our supervision and control.

<sup>2</sup> Expenses shall be consistent with the general practice procedures authorized in the District of Delaware.

## KCC CORPORATE RESTRUCTURING FEE STRUCTURE

### **Notice Printing & Publication Services**

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Set-up	Waived
Insert creditor information into customized documents	\$0.15 per piece
Electronic noticing (e-mail)	\$150.00 per 1,000
Electronic noticing (domestic facsimile)	\$0.50 per page
Claim Acknowledgement Card	\$0.25 per notice
Document folding and inserting	\$0.10 per document
Finishing -- tape binding <sup>3</sup>	\$1.25 per document
Legal notice publishing	Quote prior to publishing
Public Debt and Equity Holder noticing.	Quote as required, based on nature and type of securities

### **Document Management/Imaging**

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Electronic imaging (scanning & bar-coding)	\$0.35 per imaged page
Virtual data room	Quote prior to VDR set-up <sup>4</sup>

### **Standard and Customized Reporting**

*The following services are available at consulting rates:*

- Preparation of Service Lists
- Preparation of Claims Registers & Claims Reports
- Claims Reconciliation
- Preparation of Claims Objection Exhibits
- Custom Data Extraction & Forensics
- Preference Data Compilation
- Preparation of Schedules & SOFA
- Preparation of Ballot Tabulations/Disbursements Reports
- Contract and Lease Analysis
- Preparation of Claim Transfer Reports
- Preparation of Exhibits to Plan and Disclosure Statement
- Preparation of Custom Reports
- Other Services as Requested by Client

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<sup>3</sup> This is an optional service for documents exceeding 200 images.

<sup>4</sup> Regular set-up fee is \$5,000. Includes two (2) users. Additional users cost \$250 per month.

## **KCC CORPORATE RESTRUCTURING FEE STRUCTURE**

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**Solicitation & Vote Tabulation**

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Plan & Disclosure Statement Mailings – (CD or print)	Quote prior to printing
Per ballot process charge	\$0.25 per ballot

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**Disbursements**

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Check issuance	Quote prior to printing
W-9 mailing and maintenance of TIN database	See hourly rates and noticing charges

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**Other Services**

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KCC's proprietary Avoidance Application Systems	Quote prior to performance
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**Other Expenses**

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Printing, photocopies and labels	\$0.10 per image
Facsimile – standard incoming/outgoing	No charge
Archival DVD/CD-ROM	\$50 per copy

**EXHIBIT C**

**Proposed Order**

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

	X	
	:	
In re	:	Chapter 11
	:	
MMC Precision Holdings Corp., <i>et al.</i> , <sup>1</sup>	:	Case No. 09-_____ (____)
	:	
Debtors.	:	(Jointly Administered)
	:	
	X	

**ORDER APPOINTING KURTZMAN CARSON CONSULTANTS LLC  
AS CLAIMS, NOTICING AND BALLOTING AGENT, AND APPROVING  
THE FORM AND MANNER OF NOTICE OF SECTION 341 MEETING**

This matter coming before the Court on the *Motion of the Debtors for an Order Appointing Kurtzman Carson Consultants LLC as Claims, Noticing and Balloting Agent, and Approving the Form and Manner of Notice of Section 341 Meeting* (the “Motion”),<sup>2</sup> filed by the above-captioned debtors and debtors in possession (collectively, the “Debtors”); the Court having reviewed the Motion, the Frishberg Affidavit attached thereto and the Lukacs Affidavit and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the “Hearing”); the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b) and (iv) notice of the Motion and the Hearing was sufficient under the

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<sup>1</sup> The Debtors are the following 8 entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): MMC Precision Holdings Corp., a Delaware corporation (6899), Morton Industrial Group, Inc., a Delaware corporation (1650), Morton Metalcraft Co., an Illinois corporation (3616), Morton Metalcraft Co. of North Carolina, a North Carolina corporation (0199), Morton Technical Services, Inc., an Illinois corporation (4966), B&W Metal Fabricators, Inc., a North Carolina corporation (1150), Morton Metalcraft Co. of Pennsylvania, a Pennsylvania corporation (4526) and Morton Metalcraft Co. of South Carolina, a South Carolina corporation (2687). The address of each of the Debtors is 1021 W. Birchwood Street, Morton, IL 61550.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

circumstances; after due deliberation the Court having determined that the relief requested in the Motion is necessary and essential for the Debtors' reorganization and such relief is in the best interests of the Debtors, their estates and their creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. KCC is hereby appointed as the Claims Agent in these chapter 11 cases, pursuant to Bankruptcy Rule 2002, 28 U.S.C. § 156(c) and Local Rule 2002-1(f), on the terms and conditions set forth in the Motion and the Services Agreement. The Debtors are authorized to pay KCC's fees and expenses, and KCC shall not be required to file any fee application.
3. The terms of the Services Agreement are approved.
4. Pursuant to section 503(b)(1)(A) of the Bankruptcy Code, the fees and expenses of KCC incurred pursuant to the Services Agreement are to be treated as an administrative expense of the Debtors' estates.
5. KCC is authorized and directed to serve the Case Commencement Notice, substantially in the form of Official Bankruptcy Form 9F and subject to revisions agreed to by the U.S. Trustee, no later than five business days after the Debtors receive written notice from the U.S. Trustee of the time and place of the Section 341 Meeting and have agreed with the U.S. Trustee on the form and substance of the Case Commencement Notice. KCC shall serve the Case Commencement Notice by regular mail, postage prepaid, on those entities entitled to receive the Case Commencement Notice pursuant to Bankruptcy Rule 2002. Service of the Case Commencement Notice in accordance with this paragraph is approved in all respects and shall be

deemed sufficient notice of the commencement of these chapter 11 cases and the Section 341 Meeting under the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

6. 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.

7. The Debtors and KCC are hereby authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Order.

8. In the event any of these chapter 11 cases convert to cases under chapter 7 of the Bankruptcy Code, KCC will continue to be paid by the estates for its services until the claims filed in the chapter 11 cases have been turned over to the control of the Bankruptcy Court, which process KCC shall commence immediately after any such conversion. If the chapter 7 trustee determines that claims agent representation is necessary in the converted chapter 7 case(s), KCC will be paid by the chapter 7 estates in accordance with 28 U.S.C. §156(c) under the terms set out herein.

9. This Court retains jurisdiction to hear and determine all matters arising from or related to the implementation or interpretation of this Order.

Dated: \_\_\_\_\_, 2009  
Wilmington, Delaware

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE