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**PROPOSED ATTORNEYS FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF MIRANT AMERICAS GENERATION, LLC.**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

<b>In re</b>	)	<b>Chapter 11 Case</b>
	)	
<b>MIRANT CORPORATION, <u>et al.</u>,</b>	)	<b>Case No. 03-46590 (DML)</b>
	)	
<b>Debtors</b>	)	<b>Jointly Administered</b>

**LIMITED OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF MIRANT AMERICAS GENERATION, LLC TO THE MOTION OF THE DEBTORS PURSUANT TO 11 U.S.C. §363 FOR ENTRY OF AN ORDER AUTHORIZING THE EMPLOYMENT OF AP SERVICES, LLC AS CRISIS MANAGERS TO THE DEBTORS AND THEREBY DESIGNATE ROBERT DANGREMOND AS CHIEF RESTRUCTURING OFFICER OF THE DEBTORS**

**TO: THE HONORABLE D. MICHAEL LYNN  
UNITED STATES BANKRUPTCY JUDGE**

The Official Committee of Unsecured Creditors of Mirant Americas Generation, LLC (“MAGI”) (the “MAGI Committee”), hereby submits this limited objection to the *Motion of the Debtors Pursuant to 11 U.S.C. §363 for Entry of a Final Order Authorizing the Employment of AP Services, LLC (“APS”) as Crisis Managers to the Debtors and thereby Designate Robert Dangremond as the Chief Restructuring Officer of the Debtors (“APS Application”)*. In support of this limited opposition, the MAGI Committee respectfully represents as follows:

## **Introduction**

1. By the APS Application, Mirant Corporation (“Mirant”) and its affiliated debtors (collectively, the “Debtors”) seek to have this Court approve the employment APS as crisis managers. According to the APS Application, APS will charge a \$5,000,000 “success fee” due at confirmation of a plan of reorganization (the “APS Success Fee”). Moreover, the Debtors have proposed to employ Blackstone Group L.P. as financial advisors and have requested a \$7,000,000 “restructuring fee” due upon consummation of a plan of reorganization (the “Blackstone Restructuring Fee”).

2. The MAGI Committee does not object in principal to the APS Application. Rather, the MAGI Committee submits this limited objection for the purposes of reserving its right to object to the APS Success Fee and the Blackstone Restructuring Fee until further information is made available to the MAGI Committee regarding the criteria for payment of such fees, and any other similar fee arrangements the Debtors may wish to enter into.

## **Factual Background**

### **The Bankruptcy Cases**

3. On July 14, 2003, Mirant and various affiliates, including MAGI, commenced cases under Chapter 11 of the Bankruptcy Code by filing petitions for relief in this Court.

4. On July 25, 2003, the United States Trustee appointed separate committees of unsecured creditors for each of the Mirant and MAGI estates.

5. The Debtors are currently managing their financial affairs and business operations as debtors in possession under the Bankruptcy Code. No trustee or examiner has been appointed in these cases. The Court has ordered joint administration of the bankruptcy estates of the Debtors.

**The APS Application**

6. On July 18, 2003, the Debtors filed the APS Application which seeks to employ APS to provide certain temporary employees to the Debtors to assist them in their restructuring.

7. According to the Schedule of Fees and Expenses attached to the APS Engagement Letter, APS will charge a \$5,000,000 “success fee” at confirmation. (APS Engagement Ltr., Schedule 2, ¶2)

8. On July 21, 2003, the Court entered an Interim Order Authorizing the Employment of AP Services as crisis managers to the Debtors (the “APS Interim Order”). The APS Interim Order provisionally permitted the retention of APS and approved the terms of the APS Engagement Letter.

**The Trustee Comment and The Mirant Committee Limited Objection**

9. On August 11, 2003, the United States Trustee for the Northern District of Texas filed a Comment to the Debtors’ Applications. Specifically, the United States Trustee expressed a concern that APS’s requested \$5,000,000 success fee duplicates Blackstone’s \$7,000,000 restructuring bonus. The United States Trustee requested that reasonableness of such fees should be demonstrated to the Court.

10. Also, on August 11, 2003, the Official Committee of Unsecured Creditors of Mirant (the “Mirant Committee”) filed a Limited Objection to the Blackstone Application. The Mirant Committee sought clarification regarding the inconsistency between the Blackstone

Application and the Blackstone Engagement Letter concerning when Blackstone is entitled to the Blackstone Restructuring Fee. The Mirant Committee further sought clarification that the broad language of ¶9(b) of the Blackstone Application, providing that Blackstone “will assist and advise the Debtors concerning the terms, conditions and impact of any transaction” will be subject to and not override the terms of the Blackstone Engagement Letter.

### **LIMITED OBJECTION**

11. The MAGI Committee objects to the retention APS for the limited purpose of seeking additional information regarding the proposed bonus structures set forth in the APS Application. In particular, while the MAGI Committee has no objection to the retention of APS under §327 of the Bankruptcy Code, the MAGI Committee has not yet had the opportunity to receive adequate information in order to fully understand the proposed compensation for all of the Debtors’ professionals, in general, and the APS Success Fee and the Blackstone Restructuring Bonus, in particular, in order to determine whether such fees are appropriate under §330 of the Bankruptcy Code.

12. Moreover, the Debtors will likely be seeking to employ additional professionals. Therefore, the MAGI Committee seeks to reserve its rights and to object once it knows the aggregate amount of all bonuses for all professionals that the Debtors may seek to retain.

13. Accordingly, until the Debtors provide the MAGI Committee with the appropriate information that will enable the MAGI Committee to properly assess the aggregate success or bonus fees that will be charged by all the professionals that are to be employed by the Debtors, the MAGI Committee objects to the final retention of APS.



**CERTIFICATE OF SERVICE**

I hereby certify that on the 19th day of August, 2003, a true and correct copy of the above and foregoing *Limited Objection* was served by electronic mail to the parties listed below and by United States First Class Mail on the parties on the Limited Service List.

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*/s/ Deborah D. Williamson*  
Deborah D. Williamson