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

IN RE: §
§
MIRANT CORPORATION, et al. §
§ Debtors. § CASE NO. 03-46590-DML-11
§

ORDER RESTRICTING PURSUIT OF CERTAIN PERSONS

It appearing that the best interests of these estates, their orderly administration and the successful reorganization of these Debtors would be furthered by this court limiting pursuit of litigation against certain persons by reason of their acts or omissions in connection with these cases, the court, upon the record of these cases to date,

1. Finds and Concludes

- a. In order to maximize the probability of the success of these chapter 11 cases, professionals employed pursuant to 11 U.S.C. §§ 327, 1103 or 1104(b) in any of these cases (1) whose compensation is subject to court review under 11 U.S.C. §§ 330, 331 or 503, and (2) who are not afforded indemnity by any Debtor (or Debtor's affiliate) or by any other entity in connection with such professionals' work on these cases (the "Protected Professionals") must be able to perform the duties and tasks assigned to them without fear of being sued for acts or omissions in connection with these cases.
- b. In order to maximize the probability of the success of these chapter 11 cases, Officers, Directors and Managers who are employed or terminated during these cases (other than for cause) by any Debtor ("Protected Managers") must be

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allowed to satisfy their responsibilities as fiduciaries for the benefit of Debtors' creditors and interest owners and must be able to perform the duties and tasks assigned to them without fear of being sued for their postpetition acts or omissions in or in connection with these cases. Any Protected Manager who resigns, is terminated for cause, or is finally and irrevocably awarded an incentive or retention bonus before confirmation of a plan shall, unless otherwise ordered, cease to be a Protected Manager.

- c. In order to maximize the probability of the success of these chapter 11 cases, members of committees appointed pursuant to 11 U.S.C. § 1102 ("Committee Members") must be able to perform their duties without fear that they or the entities they represent ("Committee Entities") will be sued for such Committee Members' acts or omissions in or in connection with these cases.
- d. In order to avoid irreparable harm to Debtors' estates, it is critical to the operation of Debtors' businesses, the preservation of Debtors' estates, and Debtors' successful reorganization that the Protected Professionals, the Protected Managers, the Committee Members and such other persons as the court may, by further order, designate (collectively, "Protected Persons") be able to devote their attentions to their obligations and duties in these cases without the distraction of litigation against them or Committee Entities arising from or pertaining to such Protected Persons' acts or omissions in or in connection with these cases and without being required to defend against or otherwise participate in such litigation.

- e. Protection of the Protected Persons and the Committee Entities is consistent with the public interest, as represented by the need for Debtors' effective reorganization. The restraints and procedures hereinafter set forth ensure that no other party affected by this Order will suffer harm comparable to the harm Debtors and their estates and creditors would suffer absent the protection of the Order. The purposes served by this Order cannot be achieved other than by equitable remedy.
- f. Any act or omission by a Protected Person which is made or taken pursuant to an order of this court or pursuant to the authorities and duties created or granted by title 11 of the United States Code, to the extent applicable in Debtors' cases, would not provide the basis for a valid claim or cause of action against such Protected Person or a Committee Entity provided that (i) such act or omission was made or taken in good faith; (ii) the order pursuant to which such act or omission was made or taken was not obtained by, or the statutory basis for such act or omission did not exist by reason of, fraud in which such Protected Person participated; and (iii) such act or omission did not involve (a) if such Protected Person is a Protected Manager, conduct for which such Protected Manager is not entitled to indemnity by a Debtor under applicable corporate law; (b) for any other Protected Person, conduct that amounted to gross negligence or reckless or willful misconduct under the law as it exists in Texas; or (c) with respect to a Committee Entity, an attempt to obtain a direct or indirect benefit or advantage for such

Committee Entity to which such Committee Entity was not entitled.

- g. The control, as permitted by title 11 of the United States Code, by the court of employment and compensation of Protected Professionals and Protected Managers will sufficiently ensure proper performance of such Protected Persons' fiduciary duties. The potential that Protected Persons could be subject to suit for improper conduct would not provide any added assurance of proper performance.
- h. The court considers it necessary and appropriate, and consistent with title 11 of the United States Code, to exercise the authority afforded it by 11 U.S.C. § 105 to restrain and limit the commencement of litigation, if any, against or involving any of the Protected Persons or Committee Entities for acts or omissions that occur during the pendency of these Bankruptcy Cases.

2. For the foregoing reasons,

- a. All entities are stayed and enjoined, except as hereinafter provided, from commencing in any court or before any administrative or legislative agency or body any claim or action against any of the Protected Persons or Committee Entities by reason of any act or omission by a Protected Person in connection with or in furtherance of Debtors' cases by a Protected Person after July 14, 2003.
- b. Any entity may seek relief from the effect of this Order in this court upon 10 days notice to Debtors, any Committee appointed in these cases and the Protected Person or Committee Entity against whom such entity wishes to commence litigation.
- c. Notice of this Order shall be given to all entities entitled to notice of Debtors'

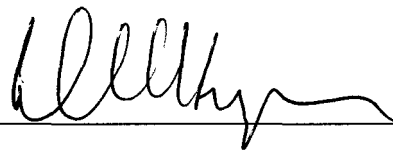
meeting of creditors held pursuant to 11 U.S.C. § 341 and to such other entities to whom this Order may apply.

- d. This Order shall expire unless continued by the court at a hearing and status conference to be held pursuant to 11 U.S.C. § 105(d) before the undersigned Judge on September 10, 2003 at 9:00 a.m. in his courtroom at 501 W. 10th Street, Fort Worth, Texas.
- e. Any claim or action that might have been asserted against a Protected Person or Committee Entity but for the effect of this Order shall not expire by reason of any statute of limitations until 30 days after this Order (as it may be continued in effect) expires.
- f. Nothing herein shall limit or prevent any entity from objecting to any claim, including a request for compensation or reimbursement, made by any Protected Person or Committee Entity, from otherwise commencing in this court a contested matter seeking relief as contemplated by title 11 of the United States Code against Debtors, any committee, Committee Entity or any Protected Person, or from seeking equitable relief to prohibit a Protected Person or a Committee Entity from acting or forbearing to act in a manner inconsistent with such person's duties and obligations. Nothing herein shall limit any entity's right to assert any claim or cause of action against any entity that is not a Protected Person or Committee Entity. Nothing in the Order shall prevent the commencement of suit against any Protected Person for acts or omissions other than those taken or made after July 14, 2003 in connection with or in furtherance of Debtors' cases. Nothing in this

Order shall limit suits against Committee Entities other than suits premised on actions of Protected Persons taken after July 14, 2003 in connection with or furtherance of Debtors' cases.

- g. Nothing in this Order shall limit the release or elimination of any claim, suit or cause of action pursuant to a confirmed plan of reorganization in these cases. The court contemplates that, upon confirmation of a plan in these cases, the restraints imposed by this Order will be continued in whole or in part by the order of confirmation.
- h. To the extent an entity does not otherwise receive notice of this Order (as it may be continued in effect), service of this Order upon any entity by certified mail return receipt requested shall bind such entity to the terms of this Order.
- i. Nothing in this Order shall limit the right of any party to seek relief in this court to prevent or stay pursuit of any entity in litigation not covered by this Order.

Signed this the 5th day of August 2003.



DENNIS MICHAEL LYNN,
UNITED STATES BANKRUPTCY JUDGE