

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

EM 34D
AWANA C. PARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

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

**ADMINISTRATIVE ORDER ESTABLISHING PROCEDURES FOR
INTERIM COMPENSATION AND REIMBURSEMENT OF
CHAPTER 11 PROFESSIONALS AND COMMITTEE MEMBERS**

Upon the Motion, dated July 14, 2003, (the "Motion"), of Mirant Corporation and its affiliated debtors (collectively, the "Debtors"), as debtors-in-possession, for entry of an administrative order establishing procedures for interim compensation and reimbursement of chapter 11 professionals and committee members (the "Motion"); and upon consideration of the Affidavit of John W. Ragan in Support of First Day Motions and Applications sworn to on the 14th day of July, 2003; and it appearing that the Court has jurisdiction over this matter; and it appearing that due notice of this Motion has been provided as set forth in the Motion and that no other or further notice need be provided; and it further appearing that the relief requested in the Motion is in the best interest of the Debtors and their estates and creditors; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause therefor, it is

ORDERED that, capitalized terms not otherwise defined herein should have the meanings ascribed to such terms in the Motion; and it is further

ORDERED that, except as may be otherwise provided in separate order authorizing the retention of specific professionals, all Professionals shall seek compensation and reimbursement in accordance with the following procedures:

- (a) On or before the 25th day of each month following the month for which compensation is sought, each Professional (and Committee member, as defined below) will serve a detailed statement of services rendered and expenses incurred during the prior month upon (i) the Debtors; (ii) the Debtors' counsel; (iii) the United States Trustee for the Northern District of Texas; (iv) counsel for the Debtors' postpetition lenders; and (v) counsel for any statutory committee appointed in these cases (the "Committee" and collectively, the "Application Recipients"). Each entity receiving a statement will have ten (10) days after the date of receipt to review and raise objections, if any, to each statement. At the expiration of the ten (10) day objection period, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the out-of-pocket expenses identified in each monthly statement, except such fees or expenses as to which an objection may be served by one of the Application Recipients as provided in subparagraph (b) below.
- (b) In the event that one of the Application Recipients has an objection to the compensation or reimbursement sought in a particular monthly statement, such party shall, within ten (10) days after the receipt of the statement, serve upon (i) the Professional to whose statement an objection is made and (ii) the other Application Recipients, a written "Objection To Fee Statement," with a statement setting forth the precise nature of the objection and the amount at issue. Thereafter, the objecting party and the Professional to whose statement an objection has been submitted shall attempt to reach an agreement regarding the correct payment to be made. If the parties are unable to reach an agreement on the objection within five (5) days after receipt of such objection, the Professional whose fee statement is subject to an objection shall have the option of (1) filing a request for payment of the disputed amount with the Court, or (2) foregoing payment of the disputed amount until the next interim fee application hearing, at which time the Court will consider and dispose of the objection if payment of the disputed amount is requested. The Debtors are required to pay promptly any portion of the fees and disbursements requested that are not disputed.
- (c) The pendency of an objection or a Court order stating that payment of compensation or reimbursement of expenses was improper as to a particular monthly statement shall not disqualify a Professional from the further payment of monthly compensation or reimbursement of expenses as set forth above, except as otherwise directed by an Order of this Court.

(d) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall bind any party-in-interest or the Court with respect to the interim or final allowance of applications for compensation and reimbursement of Professionals;

and it is further

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ORDERED that, the Court may establish additional procedures for ~~interim~~ review of professional fees.

ORDERED that, each member of any Committee is permitted to seek and receive reimbursement of expenses as follows:

Each committee member may submit statements of expenses and supporting vouchers to committee counsel, who shall collect and submit such requests for reimbursement to the Debtors in accordance with the foregoing procedure for monthly compensation and reimbursement of professionals, pursuant to 11 U.S.C. § 503(b)(3)(F); and it is further

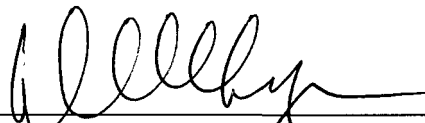
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otherwise covered by this Order

ORDERED that, the Court may, in its discretion, award fee enhancements to any professional that contributes to the efficient and economical reorganization of the Debtors. *withholding the terms of engagement approved by the court for any professional*

ORDERED that, the Debtors shall serve notice of any hearing to consider fee applications to (i) the United States Trustee for the Northern District of Texas; (ii) counsel for the Debtors' postpetition lenders; (iii) counsel for the Committees appointed in these case; (iv) Debtors' counsel; and (v) all parties requesting notice pursuant to Federal Rule of Bankruptcy Procedure 2002; and it is further.

Dated: August 1, 2003


HONORABLE D. MICHAEL LYNN
UNITED STATES BANKRUPTCY JUDGE