

Thomas E Lauria
State Bar No. 11998025
WHITE & CASE LLP
Wachovia Financial Center
200 South Biscayne Blvd.
Miami, FL 33131
Telephone: (305) 371-2700
Facsimile: (305) 358-5744

Robin Phelan
State Bar No. 15903000
Judith Elkin
State Bar No. 06522200
HAYNES AND BOONE, LLP
901 Main Street
Suite 3100
Dallas, TX 75202
Telephone: (214) 651-5000
Facsimile: (214) 651-5940

ATTORNEYS FOR THE DEBTORS AND DEBTORS-IN-POSSESSION

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

In re	)	Chapter 11 Case
MIRANT CORPORATION, <u>et al.</u>,	)	Case No. 03-46590-DML
	)	Jointly Administered
Debtors.)	
	)	Hearing Date and Time: To Be Set

**APPLICATION FOR ENTRY OF AN ORDER PURSUANT TO 11 U.S.C. § 327(e)
AUTHORIZING THE EMPLOYMENT AND RETENTION OF
GIBSON, DUNN & CRUTCHER LLP AS SPECIAL COUNSEL TO THE
DEBTORS EFFECTIVE AS OF THE PETITION DATE**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Mirant Corporation (“Mirant”) and its affiliated debtors (collectively, the “Debtors”), as debtors-in-possession, file this Application for Entry of an Order Pursuant to 11 U.S.C. § 327(e) Authorizing the Employment of Gibson, Dunn & Crutcher LLP as Special Counsel to the Debtors (the “Application”), and in support of this Application, Debtors respectfully represent as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

PROCEDURAL BACKGROUND

2. The Cases. Commencing on July 14, 2003, and concluding in the early morning hours of July 15, 2003, (the "Petition Date"), certain of the Debtors filed voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended.¹ On August 18, 2003, Mirant EcoElectrica Investments I, Ltd. and Puerto Rico Power Investments, Ltd. commenced chapter 11 cases under the Bankruptcy Code (collectively, the "New Debtors"). The Debtors continue to manage and operate their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

3. The Cases are Jointly Administered. On July 15, 2003, this Court granted the Debtors' motion for an order requesting that the Debtors' bankruptcy estates be jointly administered. A motion for joint administration of the cases of the New Debtors with the Debtors' cases was filed with this Court on August 20, 2003 and an order was entered on September 8, 2003. This Court also entered an order on September 8, 2003 which provides that

¹ Concurrently, Mirant caused two of its Canadian subsidiaries, Mirant Canada Energy Marketing, Ltd. and Mirant Canada Energy Marketing Investments, Inc. (collectively, the "Canadian Debtors") to commence plenary insolvency proceedings (the "Canadian Proceedings") in the Court of Queen's Bench of Alberta Judicial District of Calgary (the "Canadian Court") pursuant to the Companies' Creditors Arrangement Act (the "CCAA"). The Canadian Debtors are subject to the sole and exclusive jurisdiction of the Canadian Court.

certain orders entered in the chapter 11 cases of Mirant Corporation, *et al.* are applicable to the New Debtors' cases and the New Debtors.

4. Unsecured Creditors' Committees. On July 25, 2003, the Office of the United States Trustee for the Northern District of Texas announced the formation of two official unsecured creditors' committees; one for Mirant Corporation and the other for Mirant Americas Generation, LLC. The appointment lists of members of both official unsecured creditors' committees were filed in their respective chapter 11 cases on July 25, 2003.

FACTUAL BACKGROUND

5. Mirant and its direct and indirect subsidiaries comprise a competitive energy concern that generates and sells electricity in North America, the Philippines and the Caribbean. Through its direct and indirect subsidiaries, Mirant produces, sells and delivers reliable energy products and services to utilities, municipal systems, aggregators, electric-cooperative utilities, producers, generators, marketers and large industrial customers. Mirant's core business centers on the production and sale of electricity and electrical capacity (essentially the ability to produce electricity on demand). Mirant currently owns or controls more than 21,800 megawatts of electric generating capacity around the world, of which more than 18,000 megawatts is located in the United States. In 2002, Mirant produced 73 million megawatt-hours of electricity, sold 312 million megawatt-hours of electricity and sold or marketed an aggregate average of 21 billion cubic feet per day of natural gas.

6. Mirant employs in excess of 7,000 employees worldwide, of which approximately 1,100 employees are based at Mirant's corporate headquarters in Atlanta and approximately 5,900 employees are based at operating facilities. In 2002, Mirant recorded \$542

million loss in earnings before interest, taxes and depreciation (“EBITDA”) on a consolidated basis. Its 2002 operating revenues were approximately \$6.4 billion.

Retention of Gibson, Dunn & Crutcher LLP

7. By this Application, the Debtors seek to employ and retain Gibson, Dunn & Crutcher LLP (“GD&C”) as special counsel to the Debtors effective as of the Petition Date. Pursuant to section 327(e) of the Bankruptcy Code, the Debtors request the Court approve the retention of GD&C as their attorneys to provide necessary post-petition legal advice. Specifically, GD&C has been representing and providing advice to the Debtors in connection with the following matters:

- GD&C has been representing Mirant Corporation as well as certain current and former Mirant employees in connection with an ongoing investigation by the U.S. Securities and Exchange Commission (“SEC”) concerning, inter alia, certain issues pertaining to previously-issued financial reports; and certain parallel, informal inquiries by the U.S. Attorney’s Office for the Northern District of Georgia.
- GD&C has been representing Mirant in responding to the SEC’s document and information requests, preparing current and former Mirant employees for SEC interviews, representing Mirant employees at SEC interviews, and investigating facts.
- GD&C has been representing Mirant in connection with certain of its SEC filings, providing SEC disclosure advice, related corporate governance advice, and other counseling regarding compliance with the Securities Exchange Act of 1934.

8. For the reasons stated below, the Debtors believe that it would be appropriate, efficient and advantageous for GD&C to continue to represent them in the matters described in paragraph 7 above. Allowing GD&C to continue this representation will, in

addition, reduce the overall expenses of administering this case. Thus, the Debtors seek to engage GD&C as special counsel in connection with the legal services described above.

9. The Debtors have selected GD&C as their special counsel because of the firm's extensive experience with and knowledge of the Debtors' businesses and financial affairs and because of its recognized national reputation and expertise in matters involving or relating to the interpretation and enforcement of the U.S. securities laws and in the conduct and defense of investigations related thereto. GD&C has been rendering advice to the Debtors on a variety of matters since February 1997. Due to GD&C's familiarity with the Debtors' financial structure, contractual relationships and business operations and affairs, as well as its recognized national reputation and expertise in the areas for which it is being retained, the Debtors believe that GD&C is uniquely qualified to assist them in these matters.

10. GD&C will carefully coordinate its efforts with bankruptcy counsel and other professionals retained by the Debtors and make sure that its actions are not duplicative of the actions undertaken by the Debtors' other professionals. Rather than resulting in any extra expense to the Debtors' estates, the engagement of GD&C coupled with efficient coordination of the efforts of all of the Debtors' professionals will promote the effective and economical administration of these Chapter 11 cases.

11. The Debtors believe that employment of GD&C, as special counsel, to render the foregoing professional services is necessary and appropriate. GD&C has stated its desire and willingness to act in these cases and render the necessary professional services as special counsel for the Debtors. To the best of Debtors' knowledge, GD&C and its partners and associates do not have any connection with or any interest adverse to the Debtors, their creditors, or any other party in interest, or their respective attorneys and accountants, in the matters on

which it is being retained except as may be set forth in the affidavit of John Sturc, a partner of GD&C annexed hereto as Exhibit “A” (the “Sturc Affidavit”).

12. The Debtors understand that GD&C hereinafter intends to apply to the Court for allowances of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code (or as otherwise allowed by order of this Court), the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Local Bankruptcy Rules for the Northern District of Texas (the “Local Rules”) for all services performed and expenses incurred after the Petition Date.

13. Pursuant to section 328(a) of the Bankruptcy Code, the Debtors may retain GD&C on any reasonable terms and conditions. The Debtors submit that the most reasonable terms and conditions are those charged by GD&C to the Debtors and other clients on a daily basis in a competitive market for legal services. Therefore, the Debtors and GD&C have agreed that GD&C shall be paid its customary hourly rates for services rendered that are in effect from time to time pursuant to the same arrangements that existed pre-petition, as set forth in the Sturc Affidavit, and shall be reimbursed according to GD&C’s customary reimbursement policies.

14. The Debtors have been informed that John Sturc, as well as other partners in, counsel to and associates of GD&C who will be performing services for the Debtors during these chapter 11 cases, are members in good standing of the courts in which they are admitted to practice. Any of the GD&C attorneys who are not already admitted to practice before this Court, and whose appearance before the Court is necessary and appropriate, will seek admission pro hac vice.

15. To the best of the Debtors’ knowledge, information and belief, GD&C represents no interest adverse to the Debtors or to their estates in the matters for which GD&C is

proposed to be retained. The Debtors submit that the employment of GD&C would be in the best interests of the Debtors, their estates and creditors. The Sturc Affidavit, executed on behalf of GD&C in accordance with the provisions of section 327 of the Bankruptcy Code, Federal Rule of Bankruptcy Procedure 2014, Local Bankruptcy Rule 2016(b) and U.S. Trustee Guidelines, is incorporated herein by reference. The Debtors' knowledge, information and belief regarding the matters set forth in this Application are based, and made in reliance, upon said affidavit.

16. The Debtors firmly believe that GD&C is the most qualified firm to represent the Debtors with respect to the matters on which it has been engaged. If the Debtors were required to retain counsel other than GD&C with respect to such matters, the Debtors, their estates and all parties in interest would be unduly prejudiced by the time and expense necessarily attendant to such counsel's familiarization with the intricacies of the factual and legal issues associated with such matters.

17. In the event that any affiliates of the Debtors subsequently commence chapter 11 cases, which are jointly administered with these cases, the Debtors request that the relief requested herein apply to such debtors and their respective estates. GD&C agrees to file such additional affidavit as necessary pursuant to section 327(e) of the Bankruptcy Code with regard to such debtors and their estates.

NOTICE

18. Notice of this Application has been served on the Limited Service List, as approved by the Court. The Debtors submit no other or further notice be given.

19. No previous request for relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order (i) approving the retention of Gibson, Dunn & Crutcher LLP as special counsel for the Debtors pursuant to section 327(e) of the Bankruptcy Code, and (ii) granting the Debtors such other and further relief as is just and proper.

RESPECTFULLY SUBMITTED this 11th day of September, 2003.

HAYNES AND BOONE, LLP
901 Main Street
Suite 3100
Dallas, TX 75202
(214) 651-5000

By: /s/ Ian T. Peck
Robin Phelan
State Bar No. 15903000
Judith Elkin
State Bar No. 06522200
Ian Peck
State Bar No. 240013306

-and-

Thomas E Lauria
State Bar No. 11998025
Michelle C. Campbell
State Bar No. 24001828
WHITE & CASE LLP
4900 Wachovia Financial Center
200 South Biscayne Blvd.
Miami, Florida 33131
(305) 371-2700

ATTORNEYS FOR THE DEBTORS
AND DEBTORS-IN-POSSESSION

CERTIFICATE OF SERVICE

The undersigned hereby certifies he has authorized BSI as service agent to cause to serve a true and correct copy of the foregoing document upon all parties on the Limited Service List via first class mail, postage prepaid, the 11th day of September 2003 in accordance with the Federal Rules of Bankruptcy Procedure.

/s/ Ian T. Peck

Thomas E Lauria
State Bar No. 11998025
WHITE & CASE LLP
Wachovia Financial Center
200 South Biscayne Blvd.
Miami, FL 33131
Telephone: (305) 371-2700
Facsimile: (305) 358-5744

Robin Phelan
State Bar No. 15903000
Judith Elkin
State Bar No. 06522200
HAYNES AND BOONE, LLP
901 Main Street
Suite 3100
Dallas, TX 75202
Telephone: (214) 651-5000
Facsimile: (214) 651-5940

ATTORNEYS FOR THE DEBTORS AND DEBTORS-IN-POSSESSION

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

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

**AFFIDAVIT OF JOHN H. STURC IN CONNECTION WITH THE RETENTION OF
GIBSON, DUNN & CRUTCHER LLP AS SPECIAL COUNSEL FOR THE DEBTORS**

DISTRICT OF COLUMBIA) ss.:

John H. Sturc, being duly sworn, deposes and says:

1. I am a partner of the firm of Gibson, Dunn & Crutcher LLP ("GD&C"). I am admitted to practice before the United States District Courts for the District of Columbia and the District of Maryland. I am admitted to practice before the United States Court of Appeals for the Fourth Circuit and the District of Columbia Circuit. I am a member in good standing of the Bar of the District of Columbia. Unless otherwise stated herein, I have personal knowledge of the facts stated herein. To the extent that any information disclosed herein requires amendment or modification upon GD&C's completion of further analysis or as additional creditor

information becomes available to it, a supplemental affidavit will be submitted to the Court reflecting same.

2. I am filing this Affidavit in support of the Application of Mirant Corporation (“Mirant”) and its affiliated debtors (collectively, the “Debtors”), as debtors-in-possession, for entry of an Order Pursuant to 11 U.S.C. § 327(e) Authorizing the Employment and Retention of GD&C as special counsel for the Debtors in these chapter 11 cases (the “Application”).

3. This Affidavit is also submitted as the statement required pursuant to sections 328(a), 329 and 504 of title 11, United States Code (11 U.S.C. §§ 101 et seq.) (the “Bankruptcy Code”) and Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

4. All attorneys comprising or employed by GD&C who will perform services for the Debtors are duly admitted to practice law in one or more states.

5. As set forth in the Application, since February 1997, GD&C has advised the Debtors with respect to a variety of legal issues. Currently, GD&C represents the Debtors in connection with the following matters:

- GD&C has been representing Mirant Corporation as well as certain current and former Mirant employees in connection with an ongoing investigation by the U.S. Securities and Exchange Commission (“SEC”) concerning, inter alia, certain issues pertaining to previously-issued financial reports; and certain parallel, informal inquiries by the U.S. Attorney’s Office for the Northern District of Georgia.
- GD&C has been representing Mirant in responding to the SEC’s document and information requests, preparing current and former Mirant employees for SEC interviews, representing Mirant employees at SEC interviews, and investigating facts in connection therewith.
- GD&C has been representing Mirant in connection with certain of its SEC filings, providing SEC disclosure advice and other counseling regarding compliance with the Securities Exchange Act of 1934.

6. Within the year prior to the commencement of the Debtors' chapter 11 cases, GD&C received payment from the Debtors and their affiliated non-debtors of approximately \$1,645,563.23 for professional services rendered and expenses incurred by GD&C prior to the Petition Date. GD&C is owed approximately \$16,433.82 with respect to services rendered to the Debtors prior to the Petition Date. In addition, GD&C currently holds a retainer of approximately \$50,000.00 for payment of professional services to be rendered and expenses incurred with respect to these chapter 11 cases.

7. In preparing this affidavit and the other descriptions of presently known connections and relationships set forth herein, I used a set of procedures developed by GD&C to ensure full compliance with the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of the Court. In accordance with such procedures, I performed, or caused to be performed, a review of the connections and relationships between GD&C and the Debtors' known lenders, indenture trustees and bondholders, the Debtors' 50 largest unsecured creditors (on a consolidated basis), the Debtors' accountants, the Debtors' principals and significant stockholders, as well as various other parties in interest with respect to these chapter 11 cases. In conducting this review, GD&C searched its database of clients and opposing parties for the names of the foregoing parties. Attached as Exhibit A-1 hereto is a schedule identifying the parties GD&C searched in its database of clients and opposing parties.

8. As far as I have been able to ascertain after due diligence, GD&C does not (i) hold or represent any disqualifying interest adverse to the Debtors so as to render GD&C ineligible to serve as special counsel for the Debtors under Sections 327(a) or 328(a) of the Bankruptcy Code or (ii) except as may otherwise be set forth herein, presently have any connection with (a) the Debtors, their creditors, or their equity security holders, (b) the respective attorneys of the foregoing or (c) the United States Trustee or any person employed in the office of the United

States Trustee. At the same time, given the extensive number of creditors and other parties in interest involved in the Debtors' cases and the size of GD&C's practice, GD&C has been unable to conclusively identify all potential relationships with every such creditor and other party in interest except that GD&C's conflict database does not reflect that any of GD&C's client relationships relate to the Debtors or their chapter 11 cases, except as is specifically described below. To the extent that I become aware of any additional relationships, I will file promptly a supplemental affidavit.

9. GD&C has more than 800 attorneys, and as part of its international complex legal practice, its partners, associates, and counsel have represented in the past, may currently represent and may represent in the future certain of Debtors' creditors, equity security holders and other parties in interest (including subsidiaries and other related entities). Except as disclosed herein, such representations are unrelated to the Debtors' Chapter 11 cases. Similarly, GD&C appears in cases, proceedings and transactions involving many different attorneys and accountants, some of whom may represent claimants and parties in interest in these cases. Except as disclosed herein, GD&C does not represent any such entity in connection with the pending Chapter 11 cases, nor to the best of my knowledge, information and belief, does it have any relationship with any such entity, attorneys or accountants that would be adverse to the Debtors or their respective estates. GD&C's established conflicts recordkeeping system does not allow a definitive determination as to whether GD&C has hired any of the entities listed in Exhibit A-1 as experts. Except as set forth herein, neither I, my firm, nor any partner, counsel, associate or professional of GD&C represents any entity having an adverse interest to the Debtors. Notwithstanding the foregoing, GD&C's records indicate that GD&C has the following connections to the Debtors, creditors and other parties in interest whose names have been searched:

- a. Officers or Directors. GD&C has represented David Mackenzie.
- b. Professionals Representing the Debtors and Other Parties in Interest. As a routine part of its practice GD&C appears in cases, proceedings, and transactions involving many different attorneys, accountants, financial consultants, real estate consultants and investment bankers, including other known professionals representing the Debtors and other parties in interest. In certain instances, such professionals may be direct clients of GD&C. GD&C has not represented and will not represent any of the aforementioned parties or any of their respective affiliates or subsidiaries in connection with these chapter 11 cases. The professionals with which GD&C may have relationships are Alston & Bird; Baker & McKenzie; Deloitte & Touche; Hunton & Williams; Malcolm Pirnie, Inc.; KPMG LLP; McDermott, Will & Emory; Morris, James, Hitchens & Williams LLP; Preston Gates Ellis & Rouvelas Meeds; Pricewaterhouse Coopers LLP; and Simpson, Thacher & Bartlett.
- c. Debtors' Lenders. GD&C does not represent and has not represented any of the Debtors' lenders in connection with these chapter 11 cases. However, each of the entities listed in this paragraph and/or their affiliates may be considered to be (1) a former client of GD&C in matters unrelated to these chapter 11 cases, (2) a current client of GD&C in matters unrelated to these cases, (3) a separate affiliate of clients who are or were represented by GD&C in matters unrelated to these cases, (4) a party in interests in litigation brought by or against former or current clients of GD&C in matters unrelated to these cases, or (5) a member of committees or groups in which GD&C has represented the committee or group as a whole, or in part. Moreover, GD&C may currently represent and in the past may have represented clients adverse to the parties listed below and/or their affiliates. The lenders with which GD&C may have relationships are ABN Amro, Bank of Hapoalim, Bank of America, Bank of Nova Scotia, Barclays, Bayerische Landesbank, CIBC, Citibank, Citigroup Financial Products, CommerzBank, Credit Suisse First Boston, Deutsche Bank, DG Bank, Dresdner Kleinwort Wasserstein, DZ Bank AG, Fleet, Hypo Vereins Bank, ING, J.P. Morgan Chase, JP Morgan Securities Inc., Japan Bank for International Cooperation, John Hancock, KBC, Lehman, Lloyds Bank, Morgan Stanley, Royal Bank of Scotland, Societe Generale and UBS.
- d. Bondholders. GD&C does not represent and has not represented any of the Debtors' bondholders or the indenture trustees with respect to the Debtors' outstanding bonds in connection with these chapter 11 cases. However, each of the parties listed in this paragraph and/or their affiliates may be considered to be (1) a former client of GD&C in matters unrelated to these chapter 11 cases, (2) a current client of GD&C in matters unrelated to these cases, (3) a separate affiliate of clients who are or were represented by GD&C in matters unrelated to these cases, (4) a party in interests in litigation brought by or against former or current clients of GD&C in matters unrelated to these cases, or (5) a member of committees

or groups in which GD&C has represented the committee or group as a whole, or in part. Moreover, GD&C may currently represent and in the past may have represented clients adverse to the parties listed below and/or their affiliates. The bondholders with which GD&C may have relationships are ABN Amro, Bear Stearns, Citigroup, Credit Suisse First Boston Europe Ltd., Fleet Securities, Goldman Sachs, J.P. Morgan Chase, J.P. Morgan Securities, Inc., John Hancock, Lehman Brothers, Inc., M&I Bank, Merrill Lynch, Morgan Stanley, Pacific Life Insurance Company, Prudential, U.S. Bank N.A. and Wells Fargo Bank. The indenture trustees with which GD&C may have relationships are Bank of America, Citibank, Commerzbank AG, and Credit Suisse First Boston.

- e. 50 Largest Unsecured Creditors. GD&C does not represent and has not represented any of the Debtors' fifty largest unsecured non-insider creditors in connection with these chapter 11 cases. However, each of the parties listed in this paragraph and/or their affiliates may be considered to be a (1) former client of GD&C in matters unrelated to these chapter 11 cases, (2) current client of GD&C in matters unrelated to these cases, (3) separate affiliate of clients who are or were represented by GD&C in matters unrelated to these cases, (4) party in interests in litigation brought by or against former or current clients of GD&C in matters unrelated to these cases, or (5) member of committees or groups in which GD&C has represented the committee or group as a whole, or in part. Moreover, GD&C may currently represent and in the past may have represented clients adverse to the parties listed below and/or their affiliates. The unsecured creditors with which GD&C may have relationships are General Electric, GE Power Systems, Southern California Gas Company, Avnet Inc., Credit Agricole Indosuez, CSC Transportation, Inc., Dynegy Marketing Inc., Dynegy Marketing & Trade, Potomac Electric Power Company and Sempra Energy.

GD&C currently represents Sempra Energy in litigation in which Sempra Energy and certain of the Debtors are both defendants (the "Natural Gas Litigation"). The Natural Gas Litigation is unrelated to these Chapter 11 cases and unrelated to the work that GD&C proposes to conduct for the Debtors. Nonetheless, both the Debtors and Sempra Energy have agreed to waive all actual and potential conflicts arising from this representation. In addition, GD&C is implementing an ethical screen whereby no attorney or paralegal who works on behalf of Sempra Energy in connection with the Natural Gas Litigation may work on behalf of the Debtors in connection with GD&C's work as special counsel, and vice versa.

GD&C has not and will not represent any of the aforementioned creditors, or any of their respective affiliates or subsidiaries, in connection with these chapter 11 cases.

- f. Debtors' 5% Stockholders. GD&C does not represent and has not represented any of the Debtors' five percent stockholders in connection with these chapter 11 cases.

g. Debtors. Prior to the Petition Date, GD&C represented the Debtor in the matters in which it seeks to be engaged by the Debtors as special counsel. In addition, since February 1997, GD&C has represented the Debtors in various other matters that had been concluded prior to the Petition Date.

10. Certain interrelationships exist among the Debtors and affiliated non-debtor entities. Nevertheless, the Debtors have advised GD&C that the Debtors' relationships to each other and to these affiliated non-debtor entities do not pose any conflict of interest because of the general unity of interest among the Debtors. Insofar as I have been able to ascertain, I know of no conflict of interest that would preclude GD&C's joint representation of the Debtors in these cases.

11. Based upon the information available to me, after following the procedures described herein, and except as otherwise described herein, GD&C neither holds nor represents an interest adverse to the Debtors and their estates with respect to the matters for which it is to be employed.

12. GD&C understands that the Debtors will seek to employ White & Case LLP and Haynes and Boone LLP as bankruptcy counsel, as well as a number of other professionals in connection with the prosecution of these chapter 11 cases. GD&C intends to carefully coordinate its efforts and clearly delineate its respective duties with these and other professionals retained in these cases so as to prevent inefficient duplication of services. Rather than resulting in any extra expense to the Debtors' estates, it is anticipated that the efficient coordination of services of the respective firms will materially add to the progress and effective administration of these chapter 11 cases.

13. It is contemplated that GD&C's services for the Debtors in connection with the SEC investigation will be compensated at the Firm's regular hourly rates for similar services, and the Firm will be reimbursed for all reasonable and necessary expenses pursuant to the provisions of sections 330 and 331 of the Bankruptcy Code. GD&C's current customary

hourly rates for attorneys and paraprofessionals range from \$230 to \$850 per hour. These rates are subject to periodic adjustment for normal rate increases and promotions. GD&C also charges its clients in all areas of practice for expenses incurred in connection with each client's case. In my view, these rates are in line with comparable market rates for comparable services.

14. In addition, it is contemplated that certain of GD&C's services provided by GD&C partner Brian Lane in connection with certain disclosure issues will be compensated by an annual retainer, which would be the same arrangement that existed prior to the petition date. The current annual retainer, which expires in February 2004 and which Debtors have already paid, is \$50,000. Any future retainer will be in an amount that is comparable to market amounts for comparable services.

15. No promises have been received by GD&C or any partner, counsel, associate or professional of GD&C, as to payment or compensation in connection with these cases in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules and Orders of the Court. GD&C has no agreement with any other entity to share with such entity any compensation received by GD&C.

16. GD&C intends to apply for compensation for professional services to be rendered in connection with these chapter 11 cases and for reimbursement of expenses incurred, in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and Orders of the Court.

17. Based upon the foregoing, I respectfully submit that the requirements for GD&C's retention as counsel to the Debtors has been met.

18. The foregoing constitutes the statement of GD&C pursuant to sections 328(a), 329 and 504 of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016(b)

Executed this 3rd day of September, 2003, at Washington, D.C.



John H. Sturc
A partner of the Firm

Sworn to before me on this
3rd day of September, 2003



Notary Public

My Commission Expires: *April 30, 2007*

JUDITH T. FELDMAN
Notary Public District of Columbia
My Commission Expires APRIL 30, 2007

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

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

**INTERIM ORDER PURSUANT TO 11 U.S.C. § 327(e) AUTHORIZING THE
EMPLOYMENT AND RETENTION OF GIBSON DUNN CRUTCHER, LLP AS
SPECIAL COUNSEL FOR THE DEBTORS EFFECTIVE AS OF THE PETITION DATE**

Came on for consideration the Application for Entry of an Order pursuant to 11 U.S.C. § 327(e) Authorizing the Employment and Retention of Gibson Dunn Crutcher, LLP (“Gibson Dunn”) as Special Counsel for the Debtors (the “Application”), of Mirant Corporation and its affiliated debtors (collectively, the “Debtors”). The Court finds that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. The Court further finds that this is a core proceeding pursuant to 28 U.S.C. § 157. After reviewing the Affidavit of John Sturc, a partner of Gibson Dunn, in support of the Application, a copy of which is annexed as an exhibit to the Application (the “Sturc Affidavit”), and the Affidavit of John Ragan in Support of First Day Motions and Applications sworn to on the 14th day of July, 2003, and the other motions, pleadings, and papers filed in these Chapter 11 cases, together with the representations on the record, the Court finds that, on an interim basis, (i) the proposed employment of Gibson Dunn as special counsel to the Debtors is in the best interest of the Debtors and their respective estates, and (ii) Gibson Dunn and its partners, counsel and associates do not hold or represent an interest adverse to the Debtors or their estates in the matters upon which they are to be engaged such that would disqualify Gibson Dunn from the representation of the Debtors as special counsel. The

Court further finds that the Application should be **GRANTED** on an interim basis subject to the terms set forth below. IT IS THEREFORE

ORDERED that the Application is granted on an interim basis (the “Interim Order”); and it is further

ORDERED that the retention of Gibson Dunn as special counsel to the Debtors and Debtors-in-Possession is hereby GRANTED on an interim basis pursuant to 11 U.S.C. § 327(e) for the purposes set forth in the Application and Sturc Affidavit, effective as of July 14, 2003 (the “Petition Date”); and it is further

ORDERED that, within three (3) business days of the entry of this Interim Order, counsel for the Debtors shall serve the Interim Order upon all parties entitled to receive notice of the Application; and it is further

ORDERED that Gibson Dunn shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules as may then be applicable, from time to time, and such other procedures as may be fixed by order of this Court; and it is further

ORDERED that this Interim Order shall be effective from July 14, 2003 through and including the date of the final hearing on the Application; and it is further

ORDERED that to the extent of any conflict between the terms and conditions of the Application and the Interim Order, the terms and conditions of this Interim Order shall govern; and it is further

ORDERED that this Interim Order shall become a Final Order on the twenty-seventh (27th) day after entry of this Interim Order without further notice or hearing unless an

objection to the Interim Order is timely filed with the Court and served on counsel for the Debtors on or before twenty-six (26) days after entry of the Interim Order.

DATED: _____

HONORABLE D. MICHAEL LYNN
UNITED STATES BANKRUPTCY JUDGE

Upon Submission, Please Return to:

Robin E. Phelan
State Bar No. 15903000
Judith Elkin
State Bar No. 06522200
Ian T. Peck
State Bar No. 24013306
HAYNES AND BOONE, L.L.P.
901 Main Street, Suite 3100
Dallas, Texas 75202-3789
Telephone: 214-651-5000
Telecopy: 214-651-5940

Thomas E Lauria
Texas Bar No. 11998025
Michelle C. Campbell
Texas Bar No. 24001828
STURC & CASE LLP
4900 Wachovia Financial Center
200 South Biscayne Blvd.
Miami, Florida 33131
Telephone: 305-371-2700
Telecopy: 305-358-5744

ATTORNEYS FOR THE DEBTORS AND
DEBTORS-IN-POSSESSION