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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 MCDERMOTT,
WILL & EMERY AS SPECIAL COUNSEL FOR 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 § 327(e) Authorizing the Employment of McDermott, Will & Emery as Special Counsel for the Debtors (the “Application”), and in support of this Application, Debtors respectfully represent as follows:

JURISDICTION

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. On July 14, 2003 (the “Petition Date”), each of the Debtors filed a voluntary petition in this court for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the “Bankruptcy Code”). The Debtors continue to manage and operate their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

3. On the Petition Date, the Debtors filed a motion to jointly administer their bankruptcy estates, which motion was approved by Order of this Court dated July 15, 2003.

4. **Creditors' Committees.** On July 18, 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.

5. No trustee or examiner has been requested or appointed in any of the Debtors' chapter 11 cases.

FACTUAL BACKGROUND

Mirant's Business Operations.

6. Mirant and its direct and indirect subsidiaries comprise one of the world's largest generators and marketers of electricity. 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 in North America, the Philippines and the Caribbean. 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.

7. 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 a \$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 McDermott, Will & Emery

8. By this Application, the Debtors seek to employ and retain McDermott, Will & Emery ("MW&E") 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 MW&E as their attorneys to provide legal advice that Debtors require to continue to operate their business as they did pre-petition. Specifically, MW&E has been representing and providing advice to Mirant in connection with the following matters:

- Tax matters that related to Mirant's trading activities, tax hedging, and derivatives and financial products (the "Commodities Market, Derivatives and Financial Products Tax Advice");

- An investigation being conducted by the Commodity Futures Trading Commission styled “In re Certain Trading by Energy and Power Marketing Firms” (the “Commodities Market Investigation”); and
- Commodities Markets regulatory advice (collectively, with the Commodities Market Investigation and the Commodities Market, Derivative and Financial Products Tax Advice, the “Commodities Market Advice”).

9. The Debtors believe that representation by MW&E will be needed in matters that the Debtors have or may encounter which the Debtors, for the reasons stated below, believe will be more efficiently handled by MW&E. This will avoid unnecessary litigation and reduce the overall expenses of administering this case. Thus, the Debtors seek to engage MW&E as special counsel in connection with the Commodities Market Advice.

10. The Debtors have selected MW&E as their special counsel because of the firm’s extensive experience with and knowledge of the Debtors’ businesses and financial affairs. MW&E has been rendering advice in connection with the Commodities Markets Advice to the Debtors since early 2001. Due to MW&E’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 MW&E is uniquely qualified to assist them in these matters.

11. MW&E will carefully coordinate their efforts with bankruptcy counsel and other professionals retained by the Debtors and clearly delineate their duties to prevent any duplication of effort. The Debtors believe that rather than resulting in any extra expense to the Debtors’ estates, the efficient coordination of efforts of counsel will greatly add to the effective administration in these Chapter 11 cases.

12. It is necessary that the Debtors employ MW&E to render the foregoing professional services. MW&E has stated its desire and willingness to act in these cases and

render the necessary professional services as special counsel for the Debtors in connection with the Commodities Market Advice. To the best of Debtors' knowledge, MW&E 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, except as may be set forth in the affidavit of Paul J. Pantano, Jr., a partner of MW&E annexed hereto as Exhibit "A" (the "Pantano Affidavit").

13. The Debtors understand that MW&E hereafter 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.

14. Pursuant to section 328(a) of the Bankruptcy Code, the Debtors may retain MW&E on any reasonable terms and conditions. The Debtors submit that the most reasonable terms and conditions are those charged by MW&E to the Debtors and other clients on a daily basis in a competitive market for legal services. Therefore, the Debtors and MW&E have agreed that MW&E shall be paid its customary hourly rates for services rendered that are in effect from time to time, as set forth in the Pantano Affidavit, and shall be reimbursed according to MW&E's customary reimbursement policies.

15. The Debtors have been informed that Paul J. Pantano, Jr., as well as other partners in, counsel to and associates of MW&E 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 MW&E attorneys who are not already admitted to practice

before this Court, and who appearance before the Court is necessary and appropriate, will seek admission pro hac vice.

16. MW&E has in the past represented and or currently represents Mirant and its affiliated Debtors, as well as their affiliated non-debtor entities in connection with various non-bankruptcy related matters, including, without limitation, the matters referenced in paragraph 13 above.

17. To the best of the Debtors' knowledge, information and belief, MW&E represents no interest adverse to the Debtors or to their estates in the matters for which MW&E is proposed to be retained. The Debtors submit that the employment of MW&E would be in the best interests of the Debtors, their estates and creditors. The Pantano Affidavit, executed on behalf of MW&E 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 declaration.

18. The Debtors firmly believe that MW&E 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 MW&E 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.

19. 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. MW&E agrees to file such additional affidavit as necessary pursuant to sections 327(e) and 328 of the Bankruptcy Code with regard to such debtors and their estates.

NOTICE

20. The Debtors have served notice of this Application on the United States Trustee for the Northern District of Texas, the statutory committees appointed in these chapter 11 cases and the creditors holding the fifty (50) largest unsecured claims against the Debtors' estates on a consolidated basis. Because of the administrative nature of the relief requested herein, the Debtors submit no other or further notice be given.

21. 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 McDermott, Will & Emery 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 8th day of August, 2003.

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By /s/ Robin E. Phelan

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Judith Elkin
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Ian Peck
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-and-

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ATTORNEYS FOR THE DEBTORS
AND DEBTORS-IN-POSSESSION

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he has authorized BSI as service agent to cause to serve a true and correct copy of the foregoing Application and Affidavit upon all parties on the attached service list via United States first class mail, postage prepaid, on the 8th day of August, 2003, in accordance with the Federal Rules of Bankruptcy Procedure.

/s/ Robin E. Phelan

EXHIBIT “A”

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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
	)	Jointly Administered
Debtors.)	
)	
_____)	

**DECLARATION UNDER PENALTY OF PERJURY OF PAUL J. PANTANO, JR., IN
CONNECTION WITH THE RETENTION OF MCDERMOTT, WILL & EMERY
AS SPECIAL COUNSEL FOR THE DEBTORS
(28 U.S.C. § 1746)**

I, Paul J. Pantano, Jr., do hereby declare as follows:

1. I am a partner of the firm of McDermott, Will & Emery (“MW&E”), and head of MW&E’s Energy and Derivatives Markets Practice Group. I am admitted to practice before the United States District Court for the District of Columbia and other federal courts of appeals and district courts. 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

MW&E's completion of further analysis or as additional creditor information becomes available to it, a supplemental Declaration will be submitted to the Court reflecting same.

2. I am filing this Declaration 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) and 328 Authorizing the Employment and Retention of MW&E as Special Counsel for the Debtors in these chapter 11 cases (the "Application").

3. This Declaration 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 MW&E 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 early 2001, MW&E has advised the Debtors with respect to a variety of legal issues. More recently, MW&E has represented the Debtors in connection with:

- Tax matters that relate to Mirant's trading activities, tax hedging, and derivatives and financial products (the "Commodities Market, Derivatives and Financial Products Tax Advice")
- An investigation being conducted by the Commodity Futures Trading Commission styled "In re Certain Trading by Energy and Power Marketing Firms" (the "Commodities Market Investigation")
- Commodities Markets regulatory advice (collectively with the Commodities Market Investigation and the Commodities Market, Derivative and Financial Products Tax Advice, the "Commodities Market Advice")

6. Within the year prior to the commencement of the Debtors' chapter 11 cases, MW&E received payment from the Debtors and their affiliated non-debtors of

approximately \$687,149.08 for professional services rendered and charges incurred by MW&E prior to the Petition Date. MW&E is owed approximately \$186,569.70 for fees and charges billed but unpaid with respect to services rendered to the Debtors prior to the Petition Date.

7. In preparing this Declaration and the other descriptions of presently known connections and relationships set forth herein, MW&E used a set of procedures designed 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 caused to be performed, a review of the connections and relationships between MW&E and the Debtors' known lenders, bondholders and indenture trustees, the Debtors' 50 largest unsecured creditors (on a consolidated basis), the Debtors' accountants, the Debtors' principals and significant stockholders, as well as other parties in interest with respect to these chapter 11 cases. In conducting this review, MW&E searched its database of clients and opposing parties for the names of the foregoing parties. Attached as Exhibit A hereto is a schedule identifying the parties MW&E searched in its database of clients and opposing parties.

8. In light of the extensive number of creditors and other parties in interest, MW&E has been unable to conclusively identify all potential relationships. To the extent that I become aware of any additional relationships, I will file promptly a supplemental Declaration.

9. McDermott, Will & Emery is a large international law firm with offices in Boston, Chicago, Düsseldorf, London, Los Angeles, Miami, Munich, New York, Orange County, Silicon Valley and Washington, D.C. MW&E has represented, currently represents and may in the future represent various creditors, equity holders, affiliates and other parties in interest in matters unrelated to the Debtors and these chapter 11 cases. Except as set forth herein or with respect to negotiating trading agreements for which we have conflict waivers from both parties, to the best of my knowledge neither I, my firm, nor any partner, counsel, associate

or professional of MW&E represents any entity in the matter in which such entity has an adverse interest to the Debtors.

- a. Officers or Directors. MW&E has not represented any of the Debtors' officers or directors.
- b. Professionals Representing the Debtors and Other Parties in Interest. As a routine part of its practice MW&E 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 MW&E. MW&E 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.
- c. Debtors' Lenders. MW&E 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 MW&E in matters unrelated to these chapter 11 cases, (2) a current client of MW&E in matters unrelated to these cases, (3) a separate affiliate of clients who are or were represented by MW&E in matters unrelated to these cases, or (4) a member of committees or groups in which MW&E has represented the committee or group as a whole, or in part. Moreover, MW&E 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 MW&E may have relationships are ABN-AMRO, Allstate, Banc of America Securities LLC, Bank of America, Bank of Montreal, Bank of Nova Scotia, Bank of Tokyo-Mitsubishi, Bank One, Barclays, Bayerische Landesbank, BNP Paribas, CDC Group, CIBC, Citibank, Citigroup Financial Products, Inc., CommerzBank, Credit Lyonnais, Credit Suisse First Boston, Danske Bank, Deutsche Bank, Dexia, Dresdner Kleinwort Wasserstein, Fleet, ING, J.P Morgan Chase, John Hancock, Kreditanstalt Fur Wiederaufbau, Landesbank Rheinland-Phalz, Lehman, Lloyds Bank, Marathon Special Opportunity Fund, Ltd., Mizuho, Morgan Stanley, New York Life, Sanwa, Societe Generale, Suntrust, Toronto Dominion, UBS, Union Bank of California, Wachovia and Westdeutsche Landesbank.
- d. Bondholders. MW&E 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 MW&E in matters unrelated to these chapter 11 cases, (2) a current client of MW&E in matters unrelated to these cases, (3) a separate affiliate of clients who are

or were represented by MW&E in matters unrelated to these cases, or (4) a member of committees or groups in which MW&E has represented the committee or group as a whole, or in part. Moreover, MW&E 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 MW&E may have relationships are: AIG Global Investment Group, Bank of New York, Bankers Trust, Bear Stearns, BNY-Barclays Capital, Boston Safe Deposit & Trust Company, Brown Brothers Harriman, Comerica Bank, Fifth Third Bank, First Union National Bank, Goldman Sachs, Investors Bank & Trust, Lewco Securities Corp., Lord, Abnett & Company, Mellon Bank, Mercantile Safe Deposit & Trust Co., Merrill Lynch, Northern Trust Company, Northwestern Mutual Life Insurance Company, Pacific Life Insurance Company, Pershing, PNC Bank Corp., PPM America Inc., Prudential, Romano Brothers & Co., State Street Bank & Trust, Toyo Trust Company, U.S. Bank, N.A., Wells Fargo Bank. The indenture trustees with which MW&E may have relationships are Bank of America, Citibank, CommerzBank, Credit Suisse First Boston and Toronto Dominion (TX), Inc.

- e. 50 Largest Unsecured Creditors. MW&E 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 (1) a former client of MW&E in matters unrelated to these chapter 11 cases, (2) a current client of MW&E in matters unrelated to these cases, (3) a separate affiliate of clients who are or were represented by MW&E in matters unrelated to these cases, or (4) a member of committees or groups in which MW&E has represented the committee or group as a whole, or in part. Moreover, MW&E may currently represent and in the past may have represented clients adverse to the parties listed below and/or their affiliates. The lenders and unsecured creditors with which MW&E may have relationships are JP Morgan Chase Bank, Citibank N.A., HypoVereinsbank, Credit Suisse First Boston, Bank of America Securities LLC, CommerzBank AG, Bayerische Landesbank, Dresdner Kleinwort Wasserstein, Bank of Tokyo-Mitsubishi Trust, Bank of Nova Scotia, Deutsche Bank AG, Barclays Bank, TD Securities (USA) Inc., UBS Warburg, Credit Lyonnais Americas, Lehman Brothers Inc., DZ Bank AG, Wachovia Securities, CIBC World Markets Corp., Fleet National Bank, Westdeutsche Landesbank, KBC Bank N.V., Mizuho Corporate Bank, ING Bank NV, Bank One NA, Morgan Stanley Senior Funding, Landesbank Rheinland-Phalz, State Street Bank and Trust Company, Bear Stearns Securities Corp., US Bank National Association, The Bank of New York, Morgan Stanley & Co. Inc., Goldman Sachs, Bank of New York/UBSAG, Wells Fargo Bank Minnesota NA, JP Morgan Securities Inc., Boston Safe Deposit & Trust Co., Citigroup Global Markets Inc., UBS Securities LLC, The Northern Trust Company, Deutsche Bank Securities Inc., Deutsche Bank Trust Corporation Americas/DBAG London Global Markets, Deutsche Bank Trust Company Americas,

Pershing, Goldman Sachs International, Merrill Lynch Professional and Citibank Global Markets. MW&E 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. MW&E does not represent and has not represented any of the Debtors' five percent stockholders in connection with these chapter 11 cases.

10. Certain interrelationships exist among the Debtors and affiliated non-debtor entities. Nevertheless, the Debtors have advised MW&E 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 MW&E'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, MW&E 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. MW&E 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. MW&E has carefully coordinated its efforts with White & Case and intends to continue 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. MW&E has in the past represented and/or currently represents Mirant and its affiliated Debtors, as well as their affiliated non-debtor entities in connection with various non-bankruptcy related matters including, without limitation, the matters referenced in paragraph five above.

14. It is contemplated that MW&E's services for the Debtors will be compensated at the Firm's regular hourly rates for such 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. MW&E's current hourly rates for attorneys and paraprofessionals for services MW&E will provide to the Debtors range from \$140.00 to \$600.00 per hour. These rates are subject to periodic change in the ordinary course of business. MW&E also bills its clients in all areas of practice for charges incurred in connection with each client's case.

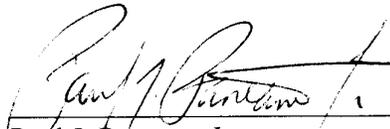
15. No promises have been received by MW&E or any partner, counsel, associate or professional of MW&E, as to payment or compensation in connection with these cases in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules and Orders of the Court. MW&E has no agreement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

16. MW&E 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 MW&E's retention as counsel to the Debtors have been met.

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

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.



Paul J. Pantano, Jr.
A partner of the Firm

Executed this 29th day of July, 2003

**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> ,)	
Debtors.	)	Case No. 03-46590(DML)11
	)	Jointly Administered
)	

**INTERIM ORDER PURSUANT TO 11 U.S.C. § 327(e) AUTHORIZING THE
EMPLOYMENT AND RETENTION OF MCDERMOTT WILL & EMERY 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 McDermott Will & Emery (“MWE”) 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 Declaration of Paul J. Pantano, Jr., a partner of MWE, in support of the Application, a copy of which is annexed as an exhibit to the Application (the “Pantano Declaration”), 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 MWE as special counsel to the Debtors is in the best interest of the Debtors and their respective estates, and (ii) MWE 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 MWE 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 MWE 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 Pantano Declaration, 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 MWE 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:

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