

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

PROPOSED 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)11
Debtors.)	Jointly Administered
_____)	Hearing Date and Time: To Be Set

**APPLICATION FOR ENTRY OF AN INTERIM AND FINAL ORDER PURSUANT TO
SECTION 327(a) OF THE BANKRUPTCY CODE AUTHORIZING
THE EMPLOYMENT AND RETENTION OF SITRICK AND COMPANY, INC.
AS COMMUNICATIONS CONSULTANTS FOR THE DEBTORS**

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 authorizing the retention of Sitrick And Company, Inc. (“Sitrick”) as communications consultants for the Debtors (the “Application”), and respectfully represent as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider the Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), and (O). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The relief

requested in the Application is authorized under 11 U.S.C. § 327 and may be implemented in accordance with Fed.R.Bankr.P 2014. This Application also includes an initial disclosure required by 11 U.S.C. § 329, Fed.R.Bankr.P 2016(b), and Local Bankruptcy Rule 2016.1.

PROCEDURAL BACKGROUND

2. The Cases. On July 14 and 15, 2003, Mirant Corporation and seventy-four of its affiliates filed voluntary petitions in this court for relief under chapter 11 of title 11 of the United States Code (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. Joint Administration Request is Pending. The Debtors have moved the court to jointly administer the bankruptcy estates of the Debtors.

4. The Creditors’ Committee. No creditors’ committee has yet been appointed in these cases by the United States Trustee. Further, no trustee or examiner has been requested or appointed in any of the Debtors’ chapter 11 cases.

RETENTION OF SITRICK AND COMPANY, INC.

5. By this Application the Debtors seek to employ and retain Sitrick as their communications consultants in connection with various matters, including the Debtors’ commencement and prosecution of their chapter 11 cases as described herein, nunc pro tunc to the Petition Date. Pursuant to section 327(a) of the Bankruptcy Code, the Debtors request that the Court approve the employment of Sitrick as their communications consultants during these chapter 11 cases.

6. The Debtors have selected Sitrick as their communications consultants because the firm has an excellent reputation for providing high quality communications

programs supporting specific business objectives as well as managing complex, high profile or sensitive business challenges. Specifically, Sitrick and its senior professionals have extensive experience as communications consultants to companies reorganizing under the Bankruptcy Code. Thus, the Debtors believe that Sitrick is well qualified to provide services to the Debtors in their chapter 11 cases in a most efficient and timely manner.

7. In February, 2002, Sitrick was retained by the Debtors as their communications consultants to implement certain communications programs and to manage the business challenges arising in connection with the Debtors' chapter 11 cases.

8. As a result of its prior and current representation of the Debtors in various matters, Sitrick has the necessary background to deal effectively and efficiently with many of the potential communications issues and problems that may arise in the context of the Debtors' chapter 11 cases. The Debtors believe that Sitrick is both well-qualified and uniquely able to represent them in their chapter 11 cases in a most efficient and timely manner.

9. The employment of Sitrick is appropriate and necessary to enable the Debtors to maintain their current customers and relationships as well as to preserve their reputation in the industry as a leading producer and provider of energy products. Subject to further order of this Court, it is proposed that Sitrick be employed to:

- (a) develop and implement communications programs and related strategies and initiatives for communications with the Debtors' key constituencies (including employees, vendors, customers, community members, lenders and shareholders) regarding the Debtors' operations, financial performance and progress through the chapter 11 process;
- (b) develop public relations initiatives for the Debtors to maintain public confidence and internal morale during these chapter 11 cases;
- (c) prepare press releases and other public statements for the Debtors, including statements relating to asset sales and other major chapter 11 events;

- (d) prepare other written communications to the Debtors' key constituencies; and
- (e) perform such other communications consulting services as may be requested by the Debtors.

10. It is necessary that the Debtors employ communications consultants to render the foregoing professional services. Sitrick has stated its desire and willingness to act in these cases and render the necessary professional services as communications consultants for the Debtors.

11. To the best of the Debtors' knowledge, the officers and employees of Sitrick 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 set forth herein and in the annexed affidavit of Michael S. Sitrick, Chairman and Chief Executive Officer of Sitrick (the "Sitrick Affidavit"). Sitrick has represented to the Debtors that it is a "disinterested person" within the meaning of Bankruptcy Code section 101(14).

12. Notwithstanding the foregoing, the Debtors hereby disclose to the Court, in connection with the representation of all of the Debtors by Sitrick, that there are certain interrelationships between and among the Debtors. The Debtors do not believe, however, that their relationships to one another pose any conflict of interest in these chapter 11 cases because of their general unity of interest at all levels. Accordingly, the Debtors submit that Sitrick's representation of all the Debtors is permissible under the Bankruptcy Code and is in the best interests of all parties in interest.

13. The Debtors firmly believe that Sitrick is qualified to represent their interests and the interests of their estates. Were the Debtors required to retain communications consultants other than Sitrick in connection with the prosecution of their chapter 11 cases, the Debtors, their estates and all parties in interest would be unduly prejudiced by the time and

related expense for such consultants to familiarize themselves with the intricacies of the Debtors' business operations and capital structure.

14. In the year prior to the Petition Date, Sitrick received from the Debtors retainers of \$804,050.68 in the aggregate for services rendered in connection with the preparation of these chapter 11 cases. Such amounts have been applied to all outstanding fees and expenses incurred. At this juncture, however, a final reconciliation has not been completed. After the completion of the reconciliation, Sitrick will file a subsequent disclosure with the Court. To the extent Sitrick holds amounts that exceed the amount of fees and expenses incurred to date, Sitrick will hold such amounts as a retainer to be applied against future fees and expenses incurred by Sitrick in these chapter 11 cases.

15. The Debtors understand that Sitrick intends to apply to the Court for allowances of compensation and reimbursement of expenses as permitted by and in accordance with applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and the Local Rules and Orders of this Court for all services performed and expenses incurred after the Petition Date.

16. Subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and orders of the Court, the Debtors propose to pay Sitrick its customary hourly rates for services rendered that are in effect from time to time, as set forth in the Sitrick Affidavit.

NOTICE

17. Notice of this Application has been given to the Office of the United States Trustee for the Northern District of Texas and the Debtors' fifty largest unsecured creditors on a consolidated basis. The Debtors submit that no other or further notice need be provided.

18. No previous application for the relief sought herein has been made to this or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request entry of an order (i) approving the Debtors' retention of Sitrick as communications consultants for the Debtors pursuant to Bankruptcy Code section 327(a), and (ii) granting the Debtors such other and further relief as is just.

Dated: Fort Worth, Texas
July 16th, 2003

RESPECTFULLY SUBMITTED this 16th day of July, 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. 24013306

-and-

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

PROPOSED 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 16th day of July, 2003 in accordance with the Federal Rules of Bankruptcy Procedure.

/s/ Ian T. Peck

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

AFFIDAVIT OF MICHAEL S. SITRICK

STATE OF CALIFORNIA)
) ss.:
COUNTY OF LOS ANGELES)

Pursuant to Rule 2014(a) of the Federal Rules of Bankruptcy Procedure, Michael S. Sitrick, being duly sworn, deposes and says:

1. I am Chairman and Chief Executive Officer of Sitrick And Company, Inc. (“Sitrick”) and am duly authorized to make this Affidavit on behalf of Sitrick. I make this Affidavit in support of the application of Mirant Corporation and its affiliated debtors (collectively, the “Debtors”), as debtors in possession, for an order authorizing the Debtors to retain Sitrick as their corporate communications consultants (the “Application”). The facts set forth in this Affidavit are personally known to me, and, if called as a witness, I could and would testify thereto. Unless otherwise defined, all capitalized terms used herein have the meanings given to them in the Application.

2. To the best of my knowledge, information and belief, insofar as I have been able to ascertain after reasonable inquiry, other than in connection with these cases, neither I, nor Sitrick, nor any officer or employee thereof, as far as I have been able to ascertain, has any connection with the Debtors, their creditors, the United States Trustee or any other party with an

actual or potential interest in these chapter 11 cases or their respective attorneys or accountants, except as set forth below:

(a) To the best of its knowledge, Sitrick does not represent, and has not represented, any entity other than the Debtors in matters related to these chapter 11 cases.

(b) Prior to the Petition Date, Sitrick performed professional services for the Debtors, as described in paragraph 16 of the Application. The Debtors do not owe Sitrick any amount for services performed prior to the Commencement Date.

(c) From time to time, Sitrick may represent certain creditors of the Debtors and other interested parties in these chapter 11 cases in matters unrelated to these chapter 11 cases. As described below, however, Sitrick has undertaken a detailed search to determine, and disclose, whether it represents or has represented any significant creditors, equity security holders, insiders or other parties in interest in such unrelated matters. Based on that search, Sitrick discloses that it currently maintains a bank account at Wells Fargo Bank, a bondholder of the Debtors. In addition, Sitrick has previously represented PG&E in matters unrelated to the Debtors or these chapter 11 cases. Sitrick no longer represents PG&E and has not represented PG&E since January, 2001. Finally, Sitrick currently represents Reliant Resources, Inc. in matters unrelated to the Debtors or these chapter 11 cases. Sitrick does not believe that any of the foregoing relationships or representations will affect its ability to effectively represent the Debtors in these chapter 11 cases.

(d) Sitrick has approximately 50 employees. It is possible that certain employees of Sitrick hold interests in mutual funds or other investment vehicles that may own debt or equity interests in the Debtors.

3. To check and clear potential conflicts of interest in these cases, Sitrick researched its client database and performed reasonable diligence to determine whether it had any relationships with the following entities (collectively, the “Interested Parties”):

- (a) the Debtors and their non-debtor affiliates;
- (b) the Debtors’ directors and officers and certain major business affiliations, as provided to Sitrick by the Debtors;
- (c) the Debtors’ 20 largest unsecured creditors on a consolidated basis, as identified in their chapter 11 petitions;
- (d) other material trade creditors and lessors, as provided to Sitrick by the Debtors;
- (e) parties to significant litigation with the Debtors, as provided to Sitrick by the Debtors;
- (f) the attorneys and other professionals that the Debtors have identified for employment in these chapter 11 cases in applications filed on the Petition Date or anticipated to be filed shortly thereafter; and
- (g) the Debtors’ prepetition lenders, as provided to Sitrick by the Debtor;

The identities of the Interested Parties are set forth on Schedule 1 attached hereto and incorporated herein by reference. Sitrick’s research of its relationships with the Interested

Parties indicated that Sitrick has not represented nor does it currently represent any of these entities in matters related to these chapter 11 cases, except as described above in paragraph 2(c).

4. If Sitrick discovers additional information regarding any connections to interested parties in these chapter 11 cases that require disclosure, Sitrick will file a supplemental disclosure with the Court as promptly as possible.

5. Neither I, nor Sitrick, nor any officer or employee thereof, as far as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their respective estates with respect to the matters on which Sitrick is proposed to be employed.

6. Subject to the Court's approval, Sitrick will charge for its corporate communications services on an hourly basis in accordance with its ordinary and customary hourly rates in effect on the date services are rendered. The hourly rates of Sitrick professionals vary according to each employee's level of experience. Also, Sitrick periodically adjusts its hourly rates in the ordinary course of business. The names and current hourly rates of the Sitrick professionals and paraprofessionals currently expected to have primary responsibility for providing services to the Debtors are attached hereto as Schedule 2 and are incorporated herein by reference.

7. In accordance with Sitrick's normal procedures, Sitrick will maintain detailed, contemporaneous records of time and any actual and necessary expenses incurred in connection with the rendering of the corporate communications services described above by category and nature of services rendered.

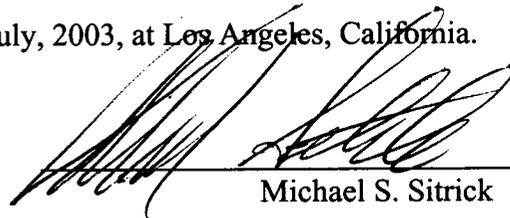
8. The proposed employment of Sitrick is not prohibited by or improper under Rule 5002 of the Federal Rules of Bankruptcy Procedure. Sitrick and the professionals it

employs are qualified to represent the Debtors in matters for which the Debtors are seeking to retain Sitrick.

9. Sitrick intends to apply to the Court for payment of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of this Court, and pursuant to any additional procedures that may be established in these cases and made applicable to Sitrick.

10. Based upon the foregoing, I respectfully submit that the requirements for Sitrick's retention as communications consultants to the Debtors have been met.

Executed this 11 day of July, 2003, at Los Angeles, California.



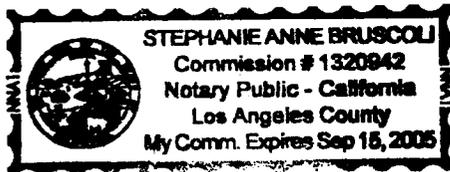
Michael S. Sitrick

Sworn to before me on this
11 day of July, 2003

Stephanie Anne Bruscoli

Notary Public

My Commission Expires: *September 15, 2005*



REPRESENTATIONS OF INTERESTED PARTIES IN UNRELATED MATTERS

PG&E (former client)

Reliant Resources, Inc. (current client)

SCHEDULE 2

BILLING RATES FOR SITRICK AND COMPANY PROFESSIONALS

<u>CATEGORY OF PROFESSIONAL</u>	<u>BILLING RATE (per hour)</u>
Member of the Firm	\$305 - \$625
Associate	\$150 - \$245