

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

**In re:**

**PATRIOT COAL CORPORATION, *et al.*,**

**Debtors.**

**Chapter 11**

**Case No. 12-51502-659**

**(Jointly Administered)**

**FOURTH SUPPLEMENTAL DECLARATION OF STEVEN J. REISMAN ON BEHALF  
OF CURTIS, MALLET-PREVOST, COLT & MOSLE LLP PURSUANT TO RULES  
2014(a) AND 2016(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

I, Steven J. Reisman, declare as follows:

1. I am an attorney duly admitted to practice before this Court.<sup>1</sup> I am a member of the law firm of Curtis, Mallet-Prevost, Colt & Mosle LLP (“Curtis”). Curtis is a multi-national law firm with principal offices located at 101 Park Avenue, New York, New York 10178-0061. Curtis maintains regional offices in: Washington, D.C.; Houston, Texas; Paris, France; London, England; Frankfurt, Germany; Milan, Italy; Mexico City, Mexico; Buenos Aires, Argentina; Muscat, Sultanate of Oman; Istanbul, Turkey; Almaty, Kazakhstan; Astana, Kazakhstan; Dubai, United Arab Emirates; and Ashgabat, Turkmenistan.

2. I submit this declaration (the “Fourth Supplemental Declaration”) to supplement the declarations I previously submitted on behalf of Curtis, sworn to on July 19, 2012 (the “Original Declaration”), October 12, 2012 (the “First Supplemental Declaration”), February 12, 2013 (the “Second Supplemental Declaration”) and March 4, 2013 (the “Third Supplemental Declaration”), in support of the application (the “Application”) for the engagement of Curtis by the debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned

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<sup>1</sup> On January 11, 2013, an Order granting my motion to appear *pro hac vice* before this Court was entered. [Docket No. 1986].

chapter 11 cases (collectively, the “Chapter 11 Cases”), pursuant to sections 327, 328(a), 329 and 504 of Title 11 of the United States Code, as amended (the “Bankruptcy Code”), and to provide the disclosures required under Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

3. On August 2, 2012, the Bankruptcy Court for the Southern District of New York entered an order approving the Application and the Debtors’ retention and employment of Curtis as conflicts counsel to the Debtors on a final basis [Docket No. 266] (the “Curtis Retention Order”).

4. To the best of my knowledge, after due inquiry, and except as set forth herein, neither I, Curtis, nor any member of, counsel to or associate of Curtis represents any creditor, party in interest or entities other than the Debtors in connection with the Chapter 11 Cases.

5. Unless otherwise stated in this Fourth Supplemental Declaration, the Original Declaration, the First Supplemental Declaration, the Second Supplemental Declaration, or the Third Supplemental Declaration, I have personal knowledge of the facts set forth herein. Curtis periodically reviews its files during the pendency of the Chapter 11 Cases to ensure that no conflicts or other disqualifying circumstances exist or arise. As additional information concerning the Debtors’ creditors and relationships that have material connections with the Debtors develops, Curtis will file a further supplemental declaration with the Court. To the best of my knowledge, Curtis has not represented and will not represent any parties other than the Debtors in these cases or in connection with any matters that would be adverse to the Debtors related to these cases in respect of the matters on which Curtis is employed in the Chapter 11 Cases.

**DISCLOSURE OF CONFLICTS AND OTHER MATTERS**

6. Pursuant to the terms of the Curtis Retention Order, Curtis is required to provide periodic disclosure of any matter where lead counsel for the Debtors, Davis Polk & Wardwell LLP (“Davis Polk”), or the Debtors’ other counsel determines that an actual or potential conflict of interest exists, and that such matters should appropriately be handled by Curtis. Curtis continues to represent the Debtors in matters with respect to which the Debtors’ other counsel are precluded from representing the Debtors due to actual or potential conflicts of interest. Specifically, since filing the Third Supplemental Declaration, Curtis has represented the Debtors in connection with the examination of the following parties pursuant to Bankruptcy Rule 2004: Morgan Stanley & Co. LLC and Duff & Phelps, LLC. Curtis has also represented the Debtors with respect to the resolution of claims filed by CSX Transportation, Inc. In addition, Curtis has represented the Debtors in connection with the modification and early buyout of an equipment lease with counterparties U.S. Bank, National Association and Banc of America Leasing & Capital, LLC.

7. In addition to the conflict matters described above, Curtis is representing the Debtors in the negotiation of a coal supply agreement with an Italian entity, ILVA S.p.A (“ILVA”). Curtis is representing the Debtors in the matter related to ILVA not due to an actual or potential conflict of interest of the Debtors’ other counsel, but rather because Curtis maintains an office in Milan, Italy, and is therefore uniquely situated to advise the Debtors in connection with this issue.

**DISCLOSURE OF REVISED PROFESSIONAL FEE HOURLY RATES**

8. As described in the Debtors’ application seeking authorization to retain and employ Curtis as their conflicts counsel, Curtis periodically changes its hourly rates to adjust for economic and other conditions. Curtis last increased its hourly rates in January 2011, and in

September 2012, it determined that it needed to increase its hourly rates to adjust for certain changes in economic conditions and increased operating costs. The Retention Order requires Curtis to file a supplemental affidavit describing increases in hourly rates and to provide notice of such rate increases to the Debtors, the Office of the United States Trustee and any official committee appointed in the Chapter 11 Cases.

9. Effective as of September 1, 2012, Curtis increased the hourly rates of all Curtis professionals working in its New York Offices with respect to all matters, including the Debtors' Chapter 11 Cases. The hourly rates of professionals in Curtis' New York office, including those involved with representation of the Debtors, are increased as follows:

<b>Professional Type and Level</b>	<b>Old Hourly Rate</b>	<b>New Hourly Rate</b>
Partner Class III	\$830	\$860
Partner Class II	\$785	\$800
Partner Class I	\$730	\$740
Counsel	\$625	\$635
Associate Year 8 and Up	\$590	\$600
Associate Year 7	\$550	\$560
Associate Year 6	\$510	\$520
Associate Year 5	\$470	\$480
Associate Year 4	\$425	\$435
Associate Year 3	\$385	\$395
Associate Year 2	\$345	\$350
Associate Year 1	\$300	\$305
Paraprofessionals	\$190 – 230	\$200 – 240

10. The new hourly rates for professionals to be charged by Curtis are reasonable based upon the customary compensation charged by Curtis and comparably skilled professionals

at other firms in cases and matters other than in cases under the Bankruptcy Code. Curtis has carefully considered this rate increase, as well as the rate increases of other law firms providing similar services. With respect to this rate increase, the motivating factors included the increased costs of rent for office space and related overhead, malpractice insurance and increased salaries and cost of living, as well as overall compensation for associates and support staff. In addition, it should be noted that Curtis' hourly rates are – on average – 10% to 20% below the billing rates of our contemporaries at other firms involved in sophisticated restructuring and insolvency matters.

11. Curtis' last rate increase was in January 2011 and Curtis believes that the modest rate increases ranging from 1.3% and 3.6% disclosed herein are appropriate at this time.

12. Curtis has notified the Debtors of the hourly rate increases disclosed in this Fourth Supplemental Declaration and the Debtors have not objected to the increase in rates.

13. Curtis will not implement the hourly rate changes disclosed in this Fourth Supplemental Declaration until the expiration of the ten business day notice period provided by the Retention Order.

#### **DISCLOSURE OF CONFLICTS AND OTHER MATTERS**

14. Curtis has represented, currently represents, and may in the future represent, various entities or their affiliates in matters unrelated to the Chapter 11 Cases. Curtis conducted a search of its conflicts database using the names on an updated parties in interest list provided by Davis Polk to Curtis on July 2, 2013. As a result, Curtis has become aware of additional parties in interest in the Chapter 11 Cases with whom Curtis has, or may have, client connections that need to be disclosed.

15. John T. Weber is employed as a first year associate in Curtis' Restructuring and Insolvency Department. Mr. Weber is the son of Corinne Ball, a partner in the Business

Restructuring & Reorganization Practice of Jones Day. Jones Day represents Peabody Energy Corporation in the Chapter 11 Cases. Mr. Weber and Ms. Ball have not communicated regarding the Chapter 11 Cases to date and have each been advised to not communicate with the other regarding the Chapter 11 Cases.

16. Curtis has identified the client connections disclosed below. The connections are categorized as follows:

- (a) clients for which Curtis has rendered services in the prior two (2) years and which engagement was closed within the prior two (2) years (“Former Clients”); and
- (b) entities that are related to, or may be related to, a current client for which Curtis has rendered services in the prior two (2) years and is presently rendering services.

17. All client connections were diligently reviewed by an attorney working under my supervision.

18. From such review, I determined that, with respect to each client connection between Curtis and such parties, Curtis does not hold or represent an interest that is adverse to the Debtors’ estates, and that Curtis is a “disinterested person,” as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, for the reasons described below.

**Former Clients – Exhibit 1**

19. Curtis has rendered services to the Former Clients set forth on Exhibit 1 hereto within the prior two (2) years and Curtis’ engagement was formally concluded within such period. Curtis may, however, in the future, render services to the Former Clients or their affiliates or subsidiaries in matters unrelated to the Debtors and the Chapter 11 Cases. If any Former Client becomes a Current Client during the pendency of these Chapter 11 Cases, Curtis will make the appropriate supplemental disclosures to the Court.

**Entities That Are Related or May Be Related to Current Clients – Exhibit 2**

20. The entities set forth on Exhibit 2 hereto either (i) have a name similar to a client in the client database or (ii) are or may be related to a current client (collectively, the “Potential Clients”). In certain instances, after a diligent effort, Curtis was unable to determine whether the similarity of names was, in fact, a coincidence or whether, and to what extent, the Potential Clients are related to a current client. However, out of an abundance of caution, Curtis has confirmed that it does not represent any of the Potential Clients set forth on Exhibit 2 in matters related to the Chapter 11 Cases.

**CURTIS BILLING PRACTICES**

21. As disclosed in the Original Declaration, the First Supplemental Declaration, the Second Supplemental Declaration and the Third Supplemental Declaration, Curtis is not a creditor of the Debtors.

22. All compensation for services rendered by Curtis and reimbursement of expenses incurred by Curtis in the Chapter 11 Cases is subject to the approval of this Court, and Curtis shall seek this Court’s approval for the payment of such compensation pursuant to the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and any applicable orders of this Court.

23. The foregoing constitutes the Fourth Supplemental Declaration of Curtis pursuant to section 327 of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016(b).

I certify that the foregoing statements are true and correct to the best of my knowledge, information and belief.

Dated: August 16, 2013  
New York, New York

By: /s/ Steven J. Reisman  
Name: Steven J. Reisman  
Title: A Member of the Firm

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FOURTH SUPPLEMENTAL DECLARATION OF STEVEN J. REISMAN**

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**EXHIBIT 1**

**FORMER CLIENTS OF CURTIS**

<b>Name of Entity Searched</b>	<b>Relationship to Debtors</b>	<b>Relationship to Curtis</b>
Citigroup Global Markets, Inc.	Attorney, Professional and Financial Advisor; Significant Financial Institution	Former client in matter unrelated to Debtors. <sup>1</sup>
Barclays Capital Inc.	Attorneys, Professionals and Financial Advisors	Former client in matter unrelated to Debtors. <sup>1</sup>
Deutsche Bank Securities Inc.	Notice of Appearance Party	Former client in matter unrelated to Debtors. <sup>1</sup>
Knighthood Capital Management	Notice of Appearance Party	Former client in matter unrelated to Debtors. <sup>1</sup>

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<sup>1</sup> Curtis represented Citigroup Global Markets, Inc.; Barclays Capital Inc.; Deutsche Bank Securities Inc.; and Knighthood Capital Management in a discrete matter that is now complete. Curtis obtained a waiver from these entities which allows Curtis to act adversely to them in unrelated matters.

**EXHIBIT 2**

**ENTITIES THAT ARE RELATED OR MAY BE  
RELATED TO CURRENT CLIENTS OF CURTIS**

<b>Name of Entity Searched</b>	<b>Relationship to Debtors</b>	<b>Relationship to Curtis</b>
Barclays Capital Inc.	Attorneys, Professionals and Financial Advisors	Affiliate of current client in matter unrelated to Debtors. <sup>2</sup>

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<sup>2</sup> Curtis represents an affiliate of Barclays Capital Inc. not in its own capacity but solely in its capacity as trustee with respect to a certain matter.