

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PATRIOT COAL CORPORATION, et al.,

Debtors.¹

Chapter 11

Case No. 12-12900 (SCC)

Jointly Administered

**ORDER AUTHORIZING RETENTION AND APPOINTMENT OF
GCG, INC. AS CLAIMS AND NOTICING AGENT FOR THE
DEBTORS NUNC PRO TUNC TO THE PETITION DATE**

Upon the application (the “**Application**”)² of Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession (the “**Debtors**”), for an order authorizing the retention and appointment of GCG, Inc. (“**GCG**”) as claims and noticing agent in these chapter 11 cases *nunc pro tunc* to the Petition Date, under 28 U.S.C. §156(c), section 105(a) of the Bankruptcy Code, S.D.N.Y. LBR 5075-1 and General Order M-409 to, among other things, (i) distribute required notices to parties in interest, (ii) receive, maintain, docket and otherwise administer the proofs of claim filed in the Debtors’ chapter 11 cases, and (iii) provide such other administrative services – as required by the Debtors – that would fall within the purview of services to be provided by the Clerk’s Office; and upon the Declaration of Mark N. Schroeder, Patriot Coal Corporation’s Senior Vice President and Chief Financial Officer; and upon the

¹ The Debtors are the entities listed on Schedule 1 to the Section 156(c) Application. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

Declaration of Angela Ferrante, Vice President of GCG (the “**Claims and Noticing Agent Declaration**”) submitted in support of the Application; and the Debtors having estimated that there are in excess of 10,000 creditors in these chapter 11 cases, many of which are expected to file proofs of claim, and it appearing that the receiving, docketing and maintaining of proofs of claim would be unduly time consuming and burdensome for the Clerk; and the Court being authorized under 28 U.S.C. §156(c) to utilize, at the Debtors’ expense, outside agents and facilities to provide notices to parties in title 11 cases and to receive, docket, maintain, photocopy and transmit proofs of claim; and the Court being satisfied that GCG has the capability and experience to provide such services; and the Court being satisfied, based on the representations made in the Application and the Claims and Noticing Agent Declaration, that GCG is “disinterested” as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and represents no interest adverse to the Debtors’ estates with respect to the matters upon which it is to be engaged; and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. § 1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.) as amended by Standing Order M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Application and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Application having been provided to (a) the Clerk of Court, (b) the Office of the United States Trustee for the Southern District of New York, (c) those creditors holding the five largest secured claims against the Debtors’ estates on

a consolidated basis, (d) those creditors holding the 50 largest unsecured claims against the Debtors' estates on a consolidated basis, (e) attorneys for the administrative agents for the Debtors' proposed postpetition lenders, (f) the Internal Revenue Service, (g) the Securities and Exchange Commission, (h) the United States Environmental Protection Agency and (i) the United States Attorney's Office for the Southern District of New York; and it appearing that no other or further notice need be provided; and the Court having determined that the relief requested in the Application being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Application and having held a hearing with appearances of parties in interest noted in the transcript thereof (the "**Hearing**"); and the Court having determined that the legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefore; it is

ORDERED, that, notwithstanding the terms of the Engagement Agreement attached to the Application, the Application is approved solely as set forth in this Order; and it is further

ORDERED, that the Debtors are authorized to retain GCG as claims and noticing agent *nunc pro tunc* to the Petition Date under the terms of the Engagement Agreement, and GCG is authorized and directed to perform noticing services and to receive, maintain, record and otherwise administer the proofs of claim filed in these chapter 11 cases, and all related tasks, all as described in the Application (the "**Claims and Noticing Services**"); and it is further

ORDERED, that GCG shall serve as the custodian of court records and shall be designated as the authorized repository for all proofs of claim filed in these chapter 11 cases and is authorized and directed to maintain official claims registers for each of the Debtors and to provide the Clerk with a certified duplicate thereof upon the request of the Clerk; and it is further

ORDERED, that GCG is authorized and directed to obtain a post office box or address for the receipt of proofs of claim; and it is further

ORDERED, that GCG is authorized to take such other action to comply with all duties set forth in the Application; and it is further

ORDERED, that the Debtors are authorized to compensate GCG in accordance with the terms of the Engagement Agreement upon the receipt of reasonably detailed invoices setting forth the services provided by GCG and the rates charged for each, and to reimburse GCG for all reasonable and necessary expenses it may incur, upon the presentation of appropriate documentation, without the need for GCG to file fee applications or otherwise seek Court approval for the compensation of its services and reimbursement of its expenses; and it is further

ORDERED, that GCG shall maintain records of all services showing dates, categories of services, fees charged and expenses incurred, and shall serve monthly invoices on the Debtors, the office of the United States Trustee, proposed counsel to the Debtors, counsel for any official committee, if any, monitoring the expenses of the Debtors and any party-in-interest who specifically requests service of the monthly invoices; and it is further

ORDERED, that the parties shall meet and confer in an attempt to resolve any dispute which may arise relating to the Engagement Agreement or monthly invoices, and that the parties may seek resolution of the matter from the Court if resolution is not achieved; and it is further

ORDERED, that pursuant to section 503(b)(1)(A) of the Bankruptcy Code, the fees and expenses of GCG under this Order shall be an administrative expense of the Debtors' estates; and it is further

ORDERED, that GCG may apply its retainer to all prepetition invoices, which retainer shall be replenished to the original retainer amount, and thereafter, GCG may hold its retainer under the Engagement Agreement during the chapter 11 cases as security for the payment of fees and expenses incurred under the Engagement Agreement; and it is further

ORDERED, that the Debtors shall indemnify GCG under the terms of the Engagement Agreement; and it is further

ORDERED, that all requests by GCG for the payment of indemnification as set forth in the Engagement Agreement shall be made by means of an application to the Court and shall be subject to review by the Court to ensure that payment of such indemnity conforms to the terms of the Engagement Agreement and is reasonable under the circumstances of the litigation or settlement in respect of which indemnity is sought, *provided however*, that in no event shall GCG be indemnified in the case of its own bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct; and it is further

ORDERED, that in the event that GCG seeks reimbursement from the Debtors for attorneys' fees and expenses in connection with the payment of an indemnity claim pursuant to the Engagement Agreement, the invoices and supporting time records for the attorneys' fees and expenses shall be included in GCG's own applications, both interim and final, but determined by this Court after notice and a hearing; and it is further

ORDERED, that in the event GCG is unable to provide the services set out in this order, GCG will immediately notify the Clerk and Debtors' attorney and cause to have all original proofs of claim and computer information turned over to another claims and noticing agent with the advice and consent of the Clerk and Debtors' attorney; and it is further

ORDERED, that the Debtors may submit a separate retention application, pursuant to section 327 of the Bankruptcy Code and/or any applicable law, for work that is to be performed by GCG but is not specifically authorized by this Order; and it is further

ORDERED, that the Debtors and GCG are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application; and it is further

ORDERED, that, notwithstanding any term in the Engagement Agreement to the contrary, the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order; and it is further

ORDERED, that GCG shall not cease providing claims processing services

during the chapter 11 case(s) for any reason, including nonpayment, without an order of the Court; and it is further

ORDERED, that in the event of any inconsistency between the Engagement Agreement, the Application and the Order, the Order shall govern; and it is further

ORDERED, that, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or other Bankruptcy Rules, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED, that Notice of the Application as provided therein shall be deemed good and sufficient notice of such application, and the requirements of Bankruptcy Rule 6004(a) and the local rules of the Court are satisfied by such notice.

Dated: July 11, 2012
New York, New York

/s/ Allan L. Gropper
HONORABLE ALLAN L. GROPPER
UNITED STATES BANKRUPTCY JUDGE