

Debtors' Application for Authority to Employ and Retain FTI Consulting, Inc. as Bankruptcy and Restructuring Advisors Nunc Pro Tunc to the Petition Date (the "FTI Retention Application")

In the FTI Retention Application, the Debtors seek entry of an order authorizing the employment of FTI Consulting, Inc. ("FTI") as bankruptcy and restructuring advisors to the Debtors, retroactive to August 4, 2008 (the "Petition Date").

The Debtors assert that FTI will provide the following consulting and advisory services, as FTI and the Debtors deem appropriate and feasible, including (i) evaluating the Debtors' current liquidity position and expected future cash flows, (ii) assisting in the management and control of all cash disbursements, (iii) advising management on cash conservation measures and assisting with implementation of cash forecasting and reporting, (iv) assisting in the development of financial projections, (v) assessing the Debtors' current situation and recommending appropriate strategic alternatives for seeking the highest and best recovery, (vi) assisting the Debtors' management and Board of Directors in managing various aspects of the execution of a chapter 11 filing, (vii) advising the Debtors in the process of obtaining debtor-in-possession financing and assisting the Debtors in preparing a collateral package in support of such financing, (viii) assisting the Debtors' personnel with the communications and negotiations with lenders, creditors, and other parties, including the preparation of financial information for distribution to such parties, (ix) advising and assisting the Debtors in their preparation, analysis, and monitoring of financial affairs, including schedules of assets and liabilities, statements of financial affairs, periodic operating reports, analyses of cash receipts and disbursements, analyses of cash flow forecasts, analyses of various asset and liability accounts, analysis of transactions with other entities, and analyses of proposed restructuring transactions, (x) assisting the Debtors in the valuation of businesses and in the preparation of a liquidation valuation, (xi) assisting the Debtors in managing and executing the claims reconciliation process, (xii) advising and assisting the Debtors in identifying and/or reviewing potential causes of action, and (xiii) assisting with such other accounting and financial advisory services as requested by the Debtors consistent with the role of a bankruptcy and restructuring advisor. The Debtors assert that FTI will work closely with the Debtors' other professionals to ensure that their services are not duplicative.

The Debtors agree to standard indemnification provisions holding FTI and certain affiliated parties (each, an "Indemnified Party") harmless against claims, liabilities, damages, obligations, costs, and expenses related to services provided by such Indemnified Parties to the Debtors. However, the Debtors will not indemnify such Indemnified Parties if a court determines that any of the claims, liabilities, damages, obligations, costs, or expenses for which the Indemnified Party seeks indemnification resulted from gross negligence or willful misconduct.

If retained, the Debtors intend to compensate FTI employees at their customary hourly rates ranging from \$235-715 per hour for professionals and \$100-190 per hour for paraprofessionals. FTI estimates that the average blended hourly fees will approximate \$385 per hour. The Debtors maintain that FTI will periodically provide the Debtors with a voluntary fee reduction when appropriate, in recognition of stakeholder concerns of minimizing outside professional fees. In addition to their hourly fees, FTI will be entitled to seek a performance fee of \$500,000 upon confirmation of a plan of reorganization (if the Debtors determine that FTI was instrumental in effectuating the development of such plan of reorganization), plus 1% of the total exit financing (collectively, the "Performance Fee") raised by the Debtors (if the Debtors determine that FTI

was instrumental in assisting in the raising of such exit financing). Such Performance Fee shall only be deemed earned and payable upon the approval of the Debtors' Board of Directors, and the aggregate Performance Fee is capped at \$1.5 million.

Prior to the Petition Date, FTI's technology group was engaged to perform discrete tasks on behalf of the Debtors. The Debtors state that they currently do not owe FTI any compensation for services provided or expenses incurred prior to the Petition Date. FTI will file interim and final fee applications in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Court Rules, and any applicable order of the Bankruptcy Court.