

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**ORDER AUTHORIZING AND APPROVING THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS' OF PATRIOT COAL CORPORATION, *ET AL.* TO
EMPLOY AND RETAIN COLE, SCHOTZ, MEISEL, FORMAN & LEONARD,
P.A. AS CONFLICTS COUNSEL, EFFECTIVE AUGUST 16, 2012**

Upon the application dated August 28, 2012, (the "Application") of the Official Committee of Unsecured Creditors (the "Committee") for the above-captioned debtors and debtors in possession (collectively, the "Debtors") for an order authorizing and approving the Committee's employment and retention of Cole, Schotz, Meisel, Forman & Leonard, P.A. ("Cole Schotz") as its conflicts counsel in the Debtors' Chapter 11 Cases, pursuant to 11 U.S.C. § 1103 and Fed. R. Bankr. P. 2014; and the Court having considered the Application and the Declaration of Michael D. Warner, Esq., in support thereof (the "Declaration"); and the Court finding that it has jurisdiction over the matters raised in the Application pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having determined that this is a core proceeding pursuant to 28 U.S.C. § 157; and the Court being satisfied that Cole Schotz does not hold or represent any interest adverse to the Debtors, their estates or creditors; and the Court finding that Cole Schotz is a "disinterested" person within the meaning of Sections 327 and 101(14) of the Bankruptcy Code regarding the matters upon which Cole Schotz is being retained; and the Court being further satisfied that said employment would be in the best interests of the Committee, the Debtors' respective estates, their respective creditors and other parties-in-interest; and the Court

finding that proper and adequate notice of the Application has been provided and no other or further notice is required; and for other good cause shown

IT IS HEREBY ORDERED THAT:

1. The Application is granted to the extent provided herein.
2. To the extent that the Application or Declaration is inconsistent with this Order, the terms of this Order shall govern.
3. The Committee is authorized to retain Cole Schotz as its conflicts counsel effective as of August 16, 2012, pursuant to Bankruptcy Code § 1103, and as generally described in the Application and the Declaration, with respect to conflicts and other designated matters.
4. Cole Schotz shall be compensated for fees and reimbursed for reasonable and necessary expenses and will file interim and final fee applications for allowance of its compensation and expenses in accordance with the procedures set forth in 11 U.S.C. §§ 330 and 331, the Bankruptcy Rules, the Local Rules, the Amended Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals, dated December 21, 201, the Amended Guidelines for Fees and Disbursements of Professionals in the Southern District of New York, dated November 25, 2009, and the United States Trustee Fee Guidelines (collectively, the "Fee Guidelines") and the monthly compensation order, if any.
5. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation and/or interpretation of this Order.
6. Prior to any increases in Cole Schotz's rates, as set forth in paragraph 15 of the Application, Cole Schotz shall file a supplemental affidavit with the Court and provide ten (10) business days' notice to the Debtors, the United States Trustee and any official committee. The supplemental affidavit shall explain the basis for the requested rate increases in accordance with

Section 330(a)(3)(F) of the Bankruptcy Code and state whether the Committee has consented to the rate increase.

7. Cole Schotz shall use its best efforts to avoid inappropriate duplication of services provided by any of the Committee's other retained professionals in these Chapter 11 Cases.

8. Where Kramer Levin or the Committee's other counsel, to the extent retained, determines that an actual or potential conflict of interest exists, and that such matters should appropriately be handled by Cole Schotz, Cole Schotz shall provide timely disclosures identifying such matters. The timeliness of a disclosure pursuant to the foregoing will be assessed based on the facts and circumstances of each particular matter, including whether disclosure would reveal privileged information or hinder or compromise Cole Schotz's ability to discharge its duties and perform its responsibilities with respect to representing the Committee in these Chapter 11 Cases. Timeliness shall be as soon as is reasonably practicable under the circumstances.

9. Should the Committee prior to confirmation of a plan of reorganization seek to expand the role of Cole Schotz beyond conflicts matters (for example, matters where the Committee, Kramer Levin, or other counsel to the Committee may determine that the use of Cole Schotz is more cost effective or where the Committee, Kramer Levin or other counsel to the Committee otherwise specifically ask Cole Schotz to act), Cole Schotz will file with this Court a notice of expanded role, including a description of such expanded services, and serve such notice and description on (a) the U.S. Trustee, (b) the Debtors, and (c) any other official Committee(s) appointed in these Chapter 11 Cases. All parties shall have seven (7) days from the date of such notice to object to such expanded role.

10. Cole Schotz shall not withdraw as the Committee's counsel prior to the effective date of any chapter 11 plan confirmed in these chapter 11 cases without prior approval of the Court in accordance with Local Bankruptcy Rule 2090-1(e).

11. The terms and conditions of this Order shall be immediately effective and enforceable upon entry.

Dated: September 10, 2012
New York, New York

/s/ Shelley C. Chapman
HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE