

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION**

**In re:**

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

**Debtors.**

**Chapter 11  
Case No. 12-51502-659  
(Jointly Administered)**

**APPLICATION FOR EXPANSION OF EMPLOYMENT OF  
STEPTOE & JOHNSON PLLC TO INCLUDE DEBTORS;  
DISCLOSURE OF COMPENSATION OF ATTORNEYS FOR THE DEBTORS;  
SUPPLEMENTAL DECLARATION OF C. DAVID MORRISON IN SUPPORT OF THE  
APPLICATION TO EMPLOY STEPTOE & JOHNSON PLLC  
AS SPECIAL COUNSEL FOR THE DEBTORS**

I, C. David Morrison, hereby state and declare as follows:

1. I am a member of Steptoe & Johnson PLLC (“S&J”), a law firm with its principal office at 400 White Oaks Blvd., Bridgeport, West Virginia; and other offices in Charleston, West Virginia; Morgantown, West Virginia; Wheeling, West Virginia; Huntington, West Virginia; Martinsburg, West Virginia; Lexington, Kentucky; Louisville, Kentucky; Canonsburg, Pennsylvania; Meadville, Pennsylvania; Columbus, Ohio; Denver, Colorado; and Houston, Texas.

2. I submit this Supplemental Declaration pursuant to Section 329(a) of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2014(a) and 2016(b) in further support of the Application for Authority to Employ Steptoe & Johnson PLLC as their special counsel for the Debtors [Dkt. No. 445] (the “Application”). This Supplemental Declaration updates and supplements the *Declaration of C. David Morrison and Disclosure Statement of Steptoe & Johnson PLLC in Support of the Application of the Debtors to Employ and Retain*

*Steptoe & Johnson PLLC as Special Counsel for the Debtors* (the “Prior Declaration”). Capitalized terms not defined in this Supplemental Declaration have the meanings given thereto in the Application.

3. Since the filing of the Prior Declarations, S&J has been engaged by Brody Mining, LLC and Patriot Ventures LLC (the “New Debtors”), which commenced Chapter 11 cases on September 23, 2013 (the “New Debtors’ Petition Date”). In connection with that engagement, I have caused to be conducted a search of S&J’s conflict-check system in respect of a list provided to me by the Debtors of the principal parties in interest in the New Debtors’ Chapter 11 cases, which are listed on Exhibit A hereto. S&J’s conflict-check system is described in further detail in my declaration that was attached to the Application.

4. The search described above revealed the following connections:

(a) Bank of America, N.A.

- Adverse to Bank of America in oil and gas lessee foreclosure actions;
- Adverse to Bank of America in commercial debt collection matters;
- Adverse to Bank of America in credit fraud lawsuit; and
- Adverse to Bank of America in commercial foreclosure actions.

(b) United Bank, Inc.

- Adverse to United Bank in interpleader action to settle an estate;
- Represented United Bank in property loan transactions; and
- Negotiated acquisition of portfolio of municipal-tax exempt leases from Bank of America Leasing and Capital, LLC.

- (c) Citibank, N.A.
  - Adverse to Citibank in commercial loan dispute.
- (d) State of West Virginia
  - Adverse to the State of West Virginia and its various agencies numerous times.
- (e) Mine Safety & Health Administration
  - Represents a number of coal company clients in front of the Mine Safety & Health Administration.
- (f) Internal Revenue Service
  - Represented numerous people in disputes involving the Internal Revenue Service.
- (g) Brody Mining, LLC
  - Represented Brody Mining in:
    - *Mitchell v. Brody Mining* - wrongful discharge case (case pending);
    - *Chafin v. Brody Mining* - wrongful discharge case (case pending);
    - *Hoosier v. Brody Mining* - wrongful discharge case (case pending);
    - *Blankenship v. Brody Mining* – wrongful discharge case (case pending);
    - *Helton v. Brody Mining* – negligence action (closed in 2007);
    - *Stickland v. Brody Mining* - wrongful discharge case (closed in 2011);
    - *Price v. Brody Mining* - wrongful discharge case (closed in 2012).
- (h) Rhino Eastern LLC
  - Represent Rhino in workplace hazing/initiation case (closed 2013);

- Adverse to Rhino Mining in a case where the firm represented Citi National Bank (closed 2004);
  - Adverse to Rhino Energy in a case involving the resignation of an executive of CONSOL Energy (firm client) (closed 2009);
  - Adverse to Rhino Energy in a breach of contract for warranties and representations case (closed 2009);
  - Assist Patriot Coal Corporation in transaction with Rhino Energy (closed 2008); and
  - Assist Patriot Coal Corporation in transaction with Rhino Energy (closed 2011).
- (i) Wilmington Trust Company
- Co-defendant (not adverse) in an automobile accident case (closed in 2011).
- (j) Energy Holdings, Inc.
- Adverse to Energy Holdings in an oil and gas lease dispute (pending).
- (k) Ralph L. Ballard, III
- Adverse to Ralph Ballard in connection with the settlement of commercial release dispute (closed in 2013);
  - Adverse to Ralph Ballard with regard to review of loan documentation (closed July 2012);
  - Representation of a client with an acquisition interest in a company adverse to Ralph Ballard (closed July 2013);
  - Adverse to Ralph Ballard in a contract dispute (closed 2005); and
  - Adverse to Ralph Ballard in loan application agreement (closed April 2013).
- (l) Andrew A. Payne, III
- Adverse to Andrew Payne in connection with the settlement of commercial release dispute (closed in 2013);

- Adverse to Andrew Payne with regard to review of loan documentation (closed July 2012);
- Adverse to Andrew Payne in loan application agreement (closed April 2013); and
- Adverse to Andrew Payne in a mortgage transaction (closed 2002).

(m) Shawn P. George

- Adverse to Shawn George with regard to review of loan documentation (closed July 2012);
- Adverse to Shawn George in loan application agreement (closed April 2013).

(n) James K.T. Payne

- Adverse to James Payne with regard to review of loan documentation (closed July 2012);
- Adverse to James K.T. Payne in loan application agreement (closed April 2013).

5. To the best of my knowledge, information, and belief, neither S&J nor any attorney associated with S&J:

(a) is a creditor, an equity security holder, or an insider of the New Debtors;

(o) is or has been, within two years before the New Debtors' Petition Date, a director, officer, or employee of the New Debtors; or

(c) has an interest materially adverse to the interests of the New Debtors' estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in the New Debtors, or for any other reason.

6. S&J did not receive any compensation within one year before the filing of the New Debtors' cases that was specifically related to services rendered or to be rendered in contemplation of or in connection with the New Debtors' cases. However, certain payments

received by S&J from the other Debtors in accordance with the regular compensation procedures established in the Debtors' cases may have related generally to services rendered in connection with the preparation of papers in advance of the commencement of the New Debtors' cases. To the extent that S&J had accrued fees and expenses relating to such services as of the New Debtors' Petition Date, S&J considers them to be obligations of the other Debtors, which, in their capacity as owners and affiliates of the New Debtors, requested S&J to provide such services.

7. There is no agreement of any nature as to the sharing of any compensation to be paid to S&J, other than sharing among the partners and regular associates of S&J. No promises have been received by S&J nor any partner or regular associate thereof as to compensation in connection with these cases, other than in accordance with the provisions of the Bankruptcy Code.

8. I am not related to, and to the best of my knowledge no other attorney associated with S&J is a relative of, any Bankruptcy Judge in this District, the United States Trustee, or any person employed by the Office of the United States Trustee.

9. Except as disclosed above, I do not believe that there is any other connection (as such term is used in Federal Rule of Bankruptcy Procedure 2014(a)) between S&J and the New Debtors, creditors, any other party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed by the Office of the United States Trustee.

10. The New Debtors have been informed that Steptoe & Johnson PLLC will conduct an ongoing review of matters it is handling to ensure that no disqualifying circumstances have arisen, and, if any new facts or relationships that Steptoe & Johnson PLLC believes should be disclosed to this Court and the parties in interest in these cases are discovered, Steptoe & Johnson PLLC will file a supplemental disclosure with the Court and serve such supplemental disclosure

on the U.S. Trustee. If any new material, relevant facts or relationships are discovered between review periods, Steptoe & Johnson PLLC will promptly file a supplemental disclosure with the Court and serve such supplemental disclosure on the U.S. Trustee.

11. No previous request for the relief sought herein has been made by the New Debtors to this or any other court.

12. On behalf of S&J, I request that the Court's Order Authorizing Employment of Steptoe & Johnson PLLC as special counsel for the Debtors [Dkt. No.537] be modified to include S&J's representation of the New Debtors.

13. The facts in this Declaration are stated to the best of my knowledge, information, and belief, my personal knowledge of S&J's practices and representation of the Debtors, information learned from my review of relevant documents and/or information supplied to me by other members and employees of S&J and the results of searches of S&J's conflict-check database, which system is described in greater detail in the Prior Declarations.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this 15th day of October, 2013.

  
\_\_\_\_\_  
C. David Morrison, Member  
Steptoe & Johnson PLLC

# EXHIBIT A

Principal Parties in Interest

New Debtors

Brody Mining, LLC  
Patriot Ventures LLC

Officers and Directors

Charles A. Ebetino, Jr.  
Jacquelyn A. Jones  
Robert L. Mead

Subsidiaries

Rhino Eastern JV Holding Company LLC  
WWMV JV Holding Company LLC

Former Officers, Directors, and Affiliates

Joseph W. Bean  
The Brody Trust  
Anthony Cline  
Clayton Cline  
John E. Lushefski  
Danny Robinette  
Brian Rowe  
Mark N. Schroeder

Secured Creditors

Bank of America, N.A.  
Citibank, N.A.

Largest Unsecured Creditors

Analabs, Inc.  
Industrial Design Products, Inc.  
Mine Safety & Health Administration  
United Bank, Inc.  
Wilmington Trust Company

Former Joint-Venture Parties

American Patriot Mining, LLC  
Ralph L. Ballard, III  
Shawn P. George  
Andrew A. Payne, III  
James K.T. Payne  
Rhino Eastern LLC  
Rhino Energy WV LLC  
RWMV, LLC  
White Stallion Coal LLC  
WWMV, LLC

Significant Taxing Authorities

Internal Revenue Service  
State of West Virginia