

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI**

**In re:**

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

**Debtors.<sup>1</sup>**

**Chapter 11**

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

**(Jointly Administered)**

**APPLICATION FOR EXPANSION OF EMPLOYMENT OF BLACKSTONE  
ADVISORY PARTNERS L.P. TO INCLUDE NEW DEBTORS; SECOND  
SUPPLEMENTAL DECLARATION AND STATEMENT OF C.B. RICHARDSON  
AND DISCLOSURE STATEMENT OF BLACKSTONE ADVISORY PARTNERS  
L.P. IN SUPPORT OF THE APPLICATION OF THE DEBTORS TO EMPLOY  
AND RETAIN BLACKSTONE ADVISORY PARTNERS L.P. AS FINANCIAL  
ADVISOR TO THE DEBTORS**

I, C.B. Richardson, declare:

1. I am the Chief Compliance Officer of Blackstone Advisory Partners L.P. (the "*Advisor*") and I am one of the professionals responsible for, among other things, the day-to-day operation of the compliance function at the Advisor and its affiliate, The Blackstone Group L.P. ("*Blackstone*"). As part of my job, I oversee the professionals involved in maintaining, for purposes of monitoring and avoiding conflicts of interest, a list of companies with which the Advisor, Blackstone or one of its affiliates is doing business, either as an advisor or an investor or with respect to which the Advisor, Blackstone or one of its affiliates is in possession of material, nonpublic information or has entered into a confidentiality agreement.

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<sup>1</sup> The above-captioned debtors (collectively, the "*Debtors*") are the entities listed on Schedule 1 attached to the Application. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors' chapter 11 petitions. As used herein, references to the Debtors shall include the New Debtors (as defined below).

2. On July 19, 2012, the Debtors filed the *Application of the Debtors for Authority to Employ and Retain Blackstone Advisory Partners L.P. as Investment Banker to the Debtors Nunc Pro Tunc to the Petition Date* (the “**Application**”). In connection with the Application, the Advisor submitted the declaration of Robert J. Gentile (the “**Initial Declaration**”) in support of the retention of the Advisor in these cases. On September 5, 2012, the Court entered the *Order Authorizing Employment and Retention of Blackstone Advisory Partners L.P. as Investment Banker to the Debtors Nunc Pro Tunc to the Petition Date* (the “**Blackstone Retention Order**”).

3. On February 6, 2013, the Advisor filed a first supplemental declaration (the “**First Supplemental Declaration**”), which supplemented the Initial Declaration following a review of an updated list of Parties-In-Interest (“**PII**”) that the Advisor had received from Debtors’ counsel.

4. On July 2, 2013, my colleagues received a further updated list of PII from Debtors’ counsel, which noted changes since the filing of the First Supplemental Declaration. In addition, since the filing of the First Supplemental Declaration, the Advisor has been engaged by Brody Mining, LLC and Patriot Ventures LLC (the “**New Debtors**”), which commenced chapter 11 cases on September 23, 2013. In connection with that engagement, the Advisor reviewed a further updated list of PII received from Debtors’ counsel, which set forth the PII with respect to the New Debtors.

5. To the best of my knowledge, except as may be set forth herein, in the Initial Declaration or in the First Supplemental Declaration, (i) the Advisor has no relevant connections with any of the Debtors (including, for the avoidance of doubt, the New Debtors) or the Debtors’ (including, for the avoidance of doubt, the New Debtors’) creditors, the U.S. Trustee, any person employed in the office of the U.S. Trustee, any

Bankruptcy Judge in this District, or any other party with an actual or potential interest in these chapter 11 cases or their respective attorneys or accountants, (ii) the Advisor (and the Advisor's professionals) are not creditors, equity security holders, or insiders of any of the Debtors (including, for the avoidance of doubt, the New Debtors), (iii) neither the Advisor nor any of its professionals is or was, within two years of the Petition Date, a director, officer, or employee of any of the Debtors (including, for the avoidance of doubt, the New Debtors), and (iv) neither the Advisor nor its professionals holds or represents an interest materially adverse to any of the Debtors (including, for the avoidance of doubt, the New Debtors), their estates or any class of creditors or equity security holders by reason of any direct or indirect relationship to, connection with, or interest in any of the Debtors (including, for the avoidance of doubt, the New Debtors) or for any other reason.

6. The Advisor did not receive any compensation within one year before the filing of the New Debtors' cases that was specifically related to the services rendered or to be rendered in contemplation of or in connection with the New Debtors' cases. However, certain payments received by the Advisor 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 the Advisor had accrued fees and expenses relating to such services as of the New Debtors' petition date, the Advisor considers them to be obligations of the other Debtors, which, in their capacity as owners and affiliates of the New Debtors, requested the Advisor to provide such services. There is no agreement of any nature as to the sharing of any compensation to be paid to the Advisor, other than sharing among the professionals of the

Advisor. No promises have been received by the Advisor or any of its professionals as to compensation in connection with these cases, other than in accordance with the provisions of the Bankruptcy Code.

7. This second supplemental declaration (this “*Second Supplemental Declaration*”) supplements the Initial Declaration and the First Supplemental Declaration following a review of the updated PII list. Based upon such review, the Advisor believes that it is a “disinterested person” as defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code.

8. Because the Advisor is the only Blackstone entity that has been retained by the Debtors, and because the Advisor Affiliates are not involved in any material respect with the professional services provided by the Advisor, we have researched only our records relating to the Advisor to determine connections with the PII.

9. The Blackstone Legal and Compliance Department has undertaken a review of the updated PII list to determine possible conflicts relating to the Debtors and, subject to the limitations and disclosures contained in the Initial Declaration and the First Supplemental Declaration, and subject further to the following disclosures, no material conflicts have been found.

- (a) The Advisor has been engaged to provide financial advisory services to a foreign affiliate of Barclays Capital Inc. in connection with a possible transaction (the “*Barclays Engagement*”). Barclays Capital Inc. has been added as a PII in these chapter 11 proceedings. The Barclays Engagement is wholly unrelated to the Debtors and these chapter 11 proceedings, and the Advisor does not believe that the interests of the Debtors or their estates are adversely affected by the Barclays Engagement.

(b) The Advisor has been retained by Xerox Corporation (“*Xerox*”) to represent Xerox in connection with multiple financial advisory assignments over the past five years (the “*Xerox Engagements*”). Xerox has been added as a PII in these chapter 11 proceedings. The Xerox Engagements are wholly unrelated to the Debtors and these chapter 11 proceedings, and the Advisor does not believe that the interests of the Debtors or their estates are adversely affected by the Xerox Engagements.

10. The updated list of PII was provided by Debtors’ counsel and may change during the pendency of the Debtors’ chapter 11 cases. Should the Advisor learn that a relationship with any of the PII should be disclosed in the future, a supplemental declaration with such disclosure will be filed.

11. On behalf of the Advisor, I request that the Blackstone Retention Order be modified to include the Advisor’s retention by the New Debtors.

12. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury  
that the foregoing is true and correct.

October 28, 2013

A handwritten signature in black ink, appearing to read 'C.B. Richardson', written over a horizontal line.

C.B. Richardson  
Chief Compliance Officer, Blackstone  
Advisory Partners L.P.