

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

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In re : Chapter 11  
: :  
PATRIOT COAL CORPORATION, *et al.*, : Case No. 12-51502  
: :  
Debtors. : (Jointly Administered)  
: :  
: Objection Deadline: Feb. 17, 2014 at  
: 4:00 p.m.  
: (prevailing Central Time)  
: :  
: Hearing Date: March 25, 2014 at  
: 10:00 a.m.  
: (prevailing Central Time)  
: :  
: Hearing Location:  
: Courtroom 7 North  
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**SUMMARY SHEET PURSUANT TO UNITED STATES TRUSTEE GUIDELINES AND  
LOCAL RULES FOR REVIEWING APPLICATIONS FOR COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FILED UNDER  
11 U.S.C. §§ 330 AND 331**

Name of Applicant: Duff & Phelps, LLC  
Role in the Case: Valuation Services Provider for the Debtors  
Time Period: June 6, 2013 through and including December 31, 2013  
**Current Application:** Total Fees Requested: \$581,687.00  
Total Expenses Requested: \$17,622.61

**There are no prior Applications**

**Summary of Hours**

<b>Name of Professional</b>	<b>Title</b>	<b>Total Hours Billed</b>	<b>Hourly Rate</b>	<b>Total Fees</b>
Arrin Barton	Analyst	3.50	\$235	\$822.50
Jeffrey Tyler Berryman	Analyst	27.90	\$235	\$6,556.50
Joanne Chew	Admin Asst.	1.50	\$95	\$142.50
Bryan Dunne	Senior Associate	345.00	\$340	\$117,300
Jeffrey Fisher	Vice President	345.00	\$445	\$153,525
James Gavin	Managing Director	5.00	\$620	\$3,100
Kayleigh Huang	Analyst	132.50	\$235	\$31,137.50
Bradley Iino	Analyst	40.00	\$235	\$9,400.00
Michael Kendzior	Analyst	3.00	\$560	\$1,680.00
William Lane	Director	39.00	\$560	\$21,840.00
Jeanine Larrivee	Admin Asst.	2.10	\$95	\$199.50
Edward Lee	Managing Director	56.25	\$620	\$34,875.00
Mark Miller	Managing Director	8.00	\$620	\$4,960.00
Barbara Orak	Admin Asst.	.50	\$95	\$47.50
Michael Peterson	Analyst	54.50	\$235	\$12,807.50
Patrick Prendergast	Managing Director	2.00	\$620	\$1,240.00
Nicholas Schwarzmiller	Senior Associate	7.00	\$340	\$2,380.00
Paul Sipala	Director	4.00	\$560	\$2,240.00
Brett Smith	Analyst	1.00	\$235	\$235.00
Matthew Stariha	Senior Associate	.75	\$340	\$255.00
Benjamin Stull	Vice President	212.30	\$445	\$94,473.50
Timothy Sutcliffe	Senior Associate	1.50	\$340	\$510.00
Elena Petrova Tinsay	Analyst	288.00	\$235	\$67,680.00
Jamie Warner	Senior Associate	42.00	\$340	\$14,280.00
	<b>Total</b>	<b>1,622.30</b>		<b>\$581,687.00</b>

**IN THE UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI  
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In re	:	Chapter 11
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PATRIOT COAL CORPORATION, <i>et al.</i> ,	:	Case No. 12-51502
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	Objection Deadline:
	:	
	:	Hearing Date:
	:	
	:	Hearing Location:
	:	Courtroom 7 North
	X	

**FIRST AND FINAL APPLICATION OF DUFF & PHELPS, LLC, VALUATION SERVICES  
PROVIDER FOR THE DEBTORS FOR ALLOWANCE  
OF COMPENSATION AND EXPENSES**

Duff & Phelps, LLC, (“Duff & Phelps”), valuation services provider to Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “Debtors”), for its first and final application (the “Application”), pursuant to sections 330(a) and 331 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for allowance of compensation for professional services performed by Duff & Phelps during the period commencing June 6, 2013 through and including December 31, 2013 (the “Compensation Period”), and for reimbursement of its actual and necessary expenses incurred during the Compensation Period, respectfully represents:

**PRELIMINARY STATEMENT**

1. The Debtors’ chapter 11 cases have been exceedingly complex. The Debtors’ July 2013 Monthly Operating Report listed consolidated assets of approximately \$3.56 billion

and consolidated liabilities of approximately \$3.96 billion. The Debtors sent their notice of commencement to more than 41,500 entities, and they are party to thousands of contracts. As of the Petition Date, the Debtors employed more than 4,000 people and operated twelve active mining complexes.

2. As the valuation services provider for the Debtors, Duff & Phelps has expended considerable amounts of time, energy and resources in efforts to help the Debtors value certain assets and liabilities of their business to assist with the process of reorganization. In June of 2013, the Debtors contacted Duff & Phelps to provide valuation services for the purpose of fresh start accounting in anticipation of the Debtors' emergence from bankruptcy. Duff & Phelps began working immediately, although the engagement letters were signed subsequently, on July 11, 2013 (the "Retention Date").

3. During the Compensation Period, Duff & Phelps dedicated significant time and resources to, among other things, (a) the estimation of the Fair Value and remaining useful life of certain assets and liabilities for the purposes of fresh start accounting; (b) the estimation of i) the value of the PP&E (as defined below) and Mineral Interests (as defined in the Engagement Letters) assuming that each asset was to be liquidated individually through an orderly liquidation scenario and (ii) the value of the PP&E Mineral Interests, Surface Land, and Inventory assuming that each asset was to be liquidated individually through a distressed liquidation Scenario and (c) reconciling the Debtors' Fixed Asset Registers and maintenance listings to verify appropriate information for each of the assets within PP&E.

4. Throughout these cases, Duff & Phelps has worked as efficiently as possible to minimize cost to the Debtors' estates.

## **BACKGROUND**

5. On July 9, 2012 (the “Petition Date”), each Debtor commenced with the United States Bankruptcy Court for the Southern District of New York (the “SDNY Bankruptcy Court”) a voluntary case under chapter 11 of the Bankruptcy Code. On December 19, 2012, the SDNY Bankruptcy Court entered an order transferring these chapter 11 cases to this Court (“the Transfer Order”) [ECF No. 1789].<sup>1</sup> The Debtors were authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Rules and the SDNY Bankruptcy Court’s Joint Administration Order entered on July 10, 2012 [ECF No. 30].

6. On July 18, 2012, the Office of the United States Trustee for the Southern District of New York (the “U.S. Trustee”) appointed the Creditors’ Committee pursuant to sections 1102(a) and 1102(b) of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors’ chapter 11 cases.

7. Pursuant to the Order Authorizing the Employment of Duff & Phelps, LLC as Valuation Services Provider for the Debtors *Nunc Pro Tunc* to July 11, 2013 entered by this Court on August 21, 2013 [ECF No. 4499] (the “Retention Order”), the Debtors were authorized to retain Duff & Phelps as their valuation services provider to render valuation services during their chapter 11 cases *nunc pro tunc* to July 11, 2013. Duff & Phelps is to be compensated pursuant to the terms of the engagement letters dated July 11, 2013 (“Engagement Letters”). On August 26, 2013, the Debtors filed a Notice of Amendment to the Debtors’ Engagement of Duff & Phelps, LLC [ECF No. 4537], which amended the scope of Duff & Phelps’s services to the

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<sup>1</sup> Pursuant to the Transfer Order, all orders previously entered in these chapter 11 cases remain in full force and effort in accordance with their terms notwithstanding the transfer of venue.

Debtors to include the reconciliation services described in the Second Addendum to the Engagement Letter, dated August 16, 2013.

8. On December 17, 2013, the United States Bankruptcy Court for the Eastern District of Missouri entered an order (the “Confirmation Order”) in the chapter 11 cases of the Debtors confirming the Debtors’ Fourth Amended Joint Plan of Reorganization under chapter 11 of the Bankruptcy Code (as confirmed, the “Plan”).

9. On December 18, 2013, the Plan became effective and the Debtors emerged from bankruptcy.

10. This Court has subject matter jurisdiction to consider and determine this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

11. This is Duff & Phelps’ first and final fee application for the allowance of compensation and reimbursement of expenses incurred for the Compensation Period.

**SUMMARY OF REQUESTED PROFESSIONAL COMPENSATION AND  
REIMBURSEMENT OF EXPENSES**

12. This Application has been prepared in accordance with (a) the Local Rules of the Bankruptcy Court for the Eastern District of Missouri (the “Local Rules”), (b) the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. Bankruptcy Court for the Eastern District of Missouri (the “Local Rules”), (b) the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330 adopted on January 30, 1996 (the “UST Guidelines”) and (c) the Order to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals entered by the Court on August

2, 2012 [ECF No. 262] (the “Interim Compensation Order” and collectively with the Local Rules and the UST Guidelines, the “Guidelines”).

13. In accordance with the Interim Compensation Order, Duff & Phelps filed a monthly statement covering the period from July 11, 2013 through August 31, 2013 on September 20, 2013 [ECF No. 4675], a monthly statement covering the period from September 1, 2013 through September 30, 2013 on October 21, 2013 [ECF No. 4848], a monthly statement covering the period from October 1, 2013 through October 31, 2013 on November 20, 2013 [ECF No. 5031], a monthly statement covering the period from November 1, 2013 through November 30, 2013 on December 19, 2013 [ECF No. 5177], and a monthly statement covering the period from December 1, 2013 through December 31, 2013 on January 22, 2013 [ECF No. 5247]. Duff & Phelps had not previously filed a monthly statement for the period of June 6, 2013 through July 10, 2013 (the “Stub Period”), but seeks approval of the fees incurred during the Stub Period herein.<sup>2</sup>

14. By this Application, Duff & Phelps seeks final allowance in full of compensation for professional services rendered to the Debtors during the Compensation Period, in the aggregate amount of \$581,687.00, and for reimbursement of actual, necessary expenses incurred in connection with such services in the aggregate amount of \$17,622.61. During the Compensation Period, Duff & Phelps professionals and administrative staff expended a total of 1,622.30 hours for which compensation is sought.

15. In accordance with the Interim Compensation Order, Duff & Phelps will have received payments to date totaling \$418,241.41 (\$400,618.80 of which is for services rendered and \$17,622.61 of which is for reimbursement of expenses) for the Compensation Period.

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<sup>2</sup> Although Duff & Phelps’ retention order states that the engagement dates back to July 11, 2013, Duff & Phelps began working for the Debtors on June 6, 2013, well before the engagement letter was signed. Without objection by the Debtors, Duff & Phelps hereby requests payment of fees for the Stub Period in the amount of \$80,913.50.

16. During the Compensation Period, other than pursuant to the Interim Compensation Order, Duff & Phelps has received no payment and no promises of payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. .

17. The fees charged by Duff & Phelps in these cases are billed in accordance with its agreed-upon billing rates and procedure in effect during the Compensation Period. The rates charged by Duff & Phelps for the services rendered in these chapter 11 cases do not (and will not) exceed the rates Duff & Phelps customarily charges for services rendered in comparable matters. Such fees are reasonable based on the customary compensation charged by comparably skilled professionals in comparable assignments in a competitive financial advisory market.

18. Duff & Phelps does not maintain, in the normal course of providing financial advisory services to its clients, detailed written time records. However, in this case, Duff & Phelps maintained written records of the time expended by Duff & Phelps professionals in the rendering of their professional services to the Debtors. Pursuant to the UST Guidelines and the Local Rules, annexed to the U.S. Trustee summary section preceding this Application is a schedule setting forth all Duff & Phelps professionals who have performed services in these chapter 11 cases during the Compensation Period, the title, hourly rate and aggregate number of hours expended in this matter and fees billed therefor. A schedule setting forth the number of hours expended by each of the professionals who rendered services to the Debtors, along with the name of the professional, the date on which the services were performed, a description of the services rendered, and the amount of time spent in performing the services during the Stub Period, is hereby attached as Exhibit "A."

19. A summary schedule and the categories of the expenses for which Duff & Phelps is seeking reimbursement and the total amount for each such expense category for the Compensation Period are attached hereto as Exhibit "B." Details of the expenses requested are contained in each of Duff & Phelps' monthly fee statements, which are on file with this Court.

20. To the extent that time or disbursement charges for services rendered or expenses incurred relate to the Compensation Period, but were not processed prior to the preparation of this Application, Duff & Phelps reserves the right to request compensation for such services and reimbursement of such expense in a future application.

#### **SUMMARY OF SERVICES**

21. The following summary of services rendered during the Compensation Period is not intended to be a detailed description of the work performed, as those day-to-day services and the time expended in performing such services are fully set forth in the daily time records. Rather, it is merely an attempt to highlight certain of those areas in which services were rendered to the Committee, as well as to identify some of the problems and issues that Duff & Phelps was required to address.

#### **Initial Meetings, Calls and Retention**

22. Senior D&P professionals were contacted by representatives of the Debtors in June 2013 to assess the level of Duff & Phelps experience and ability to quickly evaluate certain of the Debtors' tangible and intangible assets. The value of these assets as possible collateral was becoming an important issue in negotiations among the various parties. Numerous conferences calls were held over several days to: i) identify and brief three distinct Duff & Phelps teams (i.e., intangible asset valuation, personal property appraisal and real estate appraisal) with requisite experience in the mining industry; ii) learn about the type of data

available and prior financial analysis of other professionals in this matter that could be leveraged by Duff & Phelps; iii) assess the difficulty and complexity of the valuation analysis requested for execution within a very compressed time frame (i.e., to consummate submission of an expert valuation report by a certain date); and iv) prepare an engagement letter and other requisite retention documentation.

#### Data Request, Due Diligence and Market Research

23. During the Compensation Period, each of the three Duff & Phelps teams identified the type of information needed and typically provided in performing their respective tasks. These lists were then compared to the data already possessed by the Debtors representatives, data likely to be received upon request of the Debtor, and data that could possibly be obtained from public sources. Upon several conference calls with Debtors representatives, these data request lists were refined and submitted.

24. During the Compensation Period, due diligence was conducted on information made available to the three Duff & Phelps teams. This process included an in-depth review and analysis of significant amounts of financial information previously provided by the Debtors and resultant financial models previously prepared by Duff & Phelps for other purposes. .

25. For those data items considered not likely to be readily provided by the Debtors in a compressed time frame, Duff & Phelps teams began to acquire publicly available information (e.g., cost of capital analyses, coal property transactions, , comparable real estate sales transactions, current equipment market pricing, etc.).

Financial Analysis/Market Research

26. Each of the three Duff & Phelps teams constructed valuation models for the various assets within their agreed scope. To the extent possible, these models built upon the financial analysis previously conducted by Duff & Phelps or other Debtors advisors, particularly for “income approach” valuation models that look to forecasts of discrete Debtors business segments.

27. The Duff & Phelps personal property and real estate teams assembled and analyzed market transaction data into various “market approach” valuation models (e.g., for vacant land parcels, trucks and other equipment).

Valuation Services

28. Beginning in June 2013, Duff & Phelps performed valuation services for the Debtors. The scope of these services included a valuation of the following (the “Subject Assets and Liabilities”):

- A. Property, Plant, and Equipment (“Property, Plant, and Equipment” or “PP&E”) at the following mining complexes:
  - i) Midland Trail Mining Complex (“Midland Trail”);
  - ii) Corridor G Complex (“Corridor G”);
  - iii) Kanawha Eagle Mining Complex (“KE”);
  - iv) Logan County Mining Complex (“Logan County”);
  - v) Paint Creek Mining Complex (“Paint Creek”);
  - vi) Panther Mining Complex (“Panther”);
  - vii) Rocklick Mining Complex (“Rocklick”);
  - viii) Wells Mining Complex (“Wells”);
  - ix) Federal Mining Complex (“Federal”);
  - x) Dodge Hill Mining Complex (“Dodge Hill”);
  - xi) Highland Mining Complex (“Highland”);
  - xii) Bluegrass Mining Complex (“Bluegrass”) - Closed;
  - xiii) Big Mountain Mining Complex (“Big Mountain”) – Closed;
  - xiv) Jupiter Mining Complex (“Jupiter”) – Closed; and
  - xv) Corporate property, plant, and equipment unrelated to any of the above mining complexes (“Corporate PP&E”).
  
- B. Mineral Interests at the following active mining complexes:

- i) Midland Trail;
- ii) Corridor G;
- iii) KE;
- iv) Logan County;
- v) Paint Creek;
- vi) Panther;
- vii) Rocklick;
- viii) Wells;
- ix) Federal;
- x) Dodge Hill; and
- xi) Highland.

C. Mineral Interests at the following inactive mining complexes and unassigned locations:

- i) Central Midland Reserve Area;
- ii) Guffy Reserve Area;
- iii) Kanawha River Land Area;
- iv) Nueast Reserve Area;
- v) Sunnyhill U.G.;
- vi) Tygart River #2;
- vii) Tygart River Mine;
- viii) Broughton;
- ix) Collinsville (Lumaghi) IL;
- x) Muhlenberg County Area;
- xi) Paragon (#17) - Pana IL;
- xii) Rileyville Area IL; and
- xiii) River King U.G. #1.

D. Equity Interests in two active and two inactive joint venture mining operations;

E. Product Inventory on-hand at each of the active mining complexes;

F. Assets and liabilities associated with coal sale contracts to the extent their terms are different from current market pricing;

G. Assets and Liabilities related to property royalty agreements to the extent the royalty agreements are different from current market rates;

H. Surface land rights unrelated to mineral interests (the "Surface Land");

I. Liabilities related to a profit sharing and royalty arrangement with the United Mine Workers of America ("UMWA").

29. In July 2013, Duff & Phelps professionals conducted numerous site visits. These site visits were conducted to examine the age and condition of mining equipment and the associated buildings at various mine sites and wash plants.

30. In estimating the value of the Patriot Coal estates under a liquidation scenario, Duff & Phelps' efforts have helped determine that the best use of the Patriot Coal estates is as an active business rather than a closed business to be liquidated. Duff & Phelps' efforts also will be used to comply with necessary regulatory guidance in order for Patriot Coal to continue to operate as an active business.

#### Project Management

31. Services performed under this category included: Determination of scope of work calls with Patriot management from June 6, 2013 onwards, project kick-off meeting convened as a conference call on June 11, 2014; establishment of data requirements; coordination of various appraisal tasks; Coordination with Patriot management, Davis Polk project team and site management teams to arrange for site inspections; participation in regular status conference calls; preparation of monthly fee statements; reviews of work tasks; and documentation of out-of-scope work tasks.

#### Pre-Retention Date Work

32. During the Stub Period, Duff & Phelps professionals expended approximately 227.30 hours on these services. In connection with the valuation services deemed critical to the Debtors' successful emergence from their chapter 11 cases, the Debtors have agreed not to object to Duff & Phelps seeking the amount of \$80,913.50 for its fees incurred between June 6, 2013

and July 10, 2013, though the work was performed prior to the Retention Date, at the request of the Debtors.

### **DISBURSEMENTS**

33. As set forth in Exhibit B hereto, Duff & Phelps has disbursed \$17,622.61 as expenses incurred and recorded in providing professional services for the Debtors during the Compensation Period. These charges are intended to cover Duff & Phelps' direct costs, which costs are not incorporated into Duff & Phelps' hourly fees. Only clients who actually use services of the types for which reimbursement is sought are separately charged for such service. The effect of including such expenses as part of the hourly fees would impose that cost upon clients who do not require such services.

34. The time constraints imposed by the circumstances of these cases have required Duff & Phelps' professionals at times to devote time during the evenings and on weekends to the performance of financial services on behalf of the Debtors. These extraordinary services were essential in order to meet deadlines, react timely to the rapidly changing financial condition of the Debtors, and satisfy the demands of the Debtors in providing high-quality financial services. Duff & Phelps has not charged for any overtime expense. Nonetheless, consistent with the provisions of the Guidelines, Duff & Phelps has sought reimbursement for the expenses related to working meals and transportation.

35. Duff & Phelps respectfully submits that the actual expenses incurred in providing professional services for which reimbursement is sought in this Application were necessary, reasonable, and justified under the circumstances to serve the needs of the Debtors in fulfilling their statutory obligations.

**THE REQUESTED COMPENSATION AND EXPENSE REIMBURSEMENT  
SHOULD BE ALLOWED**

36. Section 331 of the Bankruptcy Code provides for compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 provides that a court may award a professional employed under 327 of the Bankruptcy Code "reasonable compensation for actual, necessary services rendered...and reimbursement for actual, necessary expenses." Id. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded..., the Court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and expertise in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

Id. § 330(a)(3).

37. Local Rule 2016(1)(B) requires that all professional fee applications analyze the 12 factors for allowance of compensation set forth in *Johnson v. Georgia Highway Express*, 388

F.2d 714 (5<sup>th</sup> Cir. 1974) (the “*Johnson* Factors”); *see also* *P.A. Novelly v. Palans*, 960 F.2d 728 (8<sup>th</sup> Cir. 1992); *Chamberlain v. Kula*, 213 B.R. 729, 736-739 (B.A.P. 8<sup>th</sup> Cir. 1997).

38. Duff & Phelps respectfully submits that its Application satisfies all of the *Johnson* Factors, as discussed below.

(a) The time and labor required. Duff & Phelps’ employment as valuation services providers to the Debtors required extensive time and effort during a critical period in the Debtors’ cases.

(b) The novelty and difficulty of questions. Duff & Phelps was required to perform extensive research, including site visits, in order to assess the value of the Debtors Subject Assets and Liabilities. The sheer size and scope of the Debtors assets demonstrate the complexity of performing the valuation services.

(c) The skill required to perform valuation services properly. Duff & Phelps professionals have extensive experience in the mining industry and Duff & Phelps believes its professionals have demonstrated the skill levels necessary to perform the valuation services required by the Debtors in these cases.

(d) The preclusion of employment due to acceptance of the case. It cannot be known whether this assignment has precluded Duff & Phelps from other employment, but the professionals involved in these cases devoted significant portions (and, with respect to the core members of the team, the overwhelming majority) of their time to the Debtors’ valuation matters and were, to that extent, unable to address other matters.

(e) The customary fee. The rates charged by Duff & Phelps in this matter are commensurate with rates it charges for similar clients on similar matters.

(f) Whether the fee is fixed or contingent. The fees requested herein are requested on an hourly basis.

(g) Time limitations imposed by the client or the circumstances. This case posed time pressures due to the need for the Debtors to reduce their cost structure and emerge from chapter 11 expeditiously.

(h) The amount involved and the results obtained. The Debtors have successfully emerged from bankruptcy. Duff & Phelps believes that its services contributed to the positive outcome of these cases.

(i) The experience, reputation, and ability of the professionals. Duff & Phelps is widely recognized as one of the premier financial advisory firms in the world, particularly in the area of valuation services. The Duff & Phelps professionals working on this matter also have substantial experience with highly complex restructuring matters.

(j) The undesirability of the case. Duff & Phelps was and is privileged to have the opportunity to represent the Debtors.

(k) The nature and length of the professional relationship with the client. Duff & Phelps has rendered financial advisory services to the Debtors since 2008.

(l) Awards in similar cases. Both the rates charged and the hours incurred in these cases are proportionate to, and in some instances less than, fees requested in similar large chapter 11 cases throughout the U.S.

39. In the instant case, for the reasons set forth above, Duff & Phelps respectfully submits that the services for which it seeks compensation and the expenditures for which it seeks reimbursement in this Application were necessary for and beneficial to the orderly administration of the Debtors' chapter 11 process. Such services and expenditures were necessary to and in the

best interests of the Debtors' estates and creditors. Duff & Phelps further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, their estates and all parties in interest.

40. In sum, approval of the compensation for professional services and reimbursement of expenses sought herein is warranted.

**CONCLUSION**

WHEREFORE Duff & Phelps respectfully requests (i) an allowance of compensation for professional services rendered during the Compensation Period in the amount of \$581,687.00 and reimbursement of actual and necessary expenses Duff & Phelps incurred during the Compensation Period in the amount of \$17,622.61; (ii) authorization for the Debtors to pay to Duff & Phelps that portion of the compensation amount not yet paid; and (iii) such other and further relief as is just.

Dated: San Francisco, California  
January 31, 2014



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Edward Lee  
Managing Director  
DUFF & PHELPS, LLC  
345 California Street, Suite 2100  
San Francisco, CA 94104  
(415) 693-5333  
Valuation Services Provider for the Debtors

**INDEX OF EXHIBITS**

Exhibit A	Schedule of Hours for Stub Period
Exhibit B	Summary of Expenses

# EXHIBIT A

Summary of Hours for Duff & Phelps, LLC, Valuation Services Providers for the Debtors  
For the Period of June 6, 2013 - July 10, 2013

Professional	June hrs	July hrs	Total Hours	Rate	Total June	Total July	Total Billing June and July
Barton	0.00	3.50	3.50	\$235.00	\$0.00	\$822.50	\$822.50
Berryman	0.00	0.00	0.00	\$235.00	\$0.00	\$0.00	\$0.00
Chew	0.00	0.00	0.00	\$95.00	\$0.00	\$0.00	\$0.00
Dunne	7.50	16.00	23.50	\$340.00	\$2,550.00	\$5,440.00	\$7,990.00
Fisher	38.00	20.00	58.00	\$445.00	\$16,910.00	\$8,900.00	\$25,810.00
Gavin	0.00	2.00	2.00	\$620.00	\$0.00	\$1,240.00	\$1,240.00
Huang	0.00	5.00	5.00	\$235.00	\$0.00	\$1,175.00	\$1,175.00
Iino	0.00	11.00	11.00	\$235.00	\$0.00	\$2,585.00	\$2,585.00
Kendzior	0.00	0.00	0.00	\$560.00	\$0.00	\$0.00	\$0.00
Lane	1.00	2.00	3.00	\$560.00	\$560.00	\$1,120.00	\$1,680.00
Larrivee	0.80	0.00	0.80	\$95.00	\$76.00	\$0.00	\$76.00
Lee	5.00	3.50	8.50	\$620.00	\$3,100.00	\$2,170.00	\$5,270.00
Miller	1.00	0.00	1.00	\$620.00	\$620.00	\$0.00	\$620.00
Orak	0.00	0.00	0.00	\$95.00	\$0.00	\$0.00	\$0.00
Peterson	0.00	0.00	0.00	\$235.00	\$0.00	\$0.00	\$0.00
Prendergast	0.00	0.00	0.00	\$620.00	\$0.00	\$0.00	\$0.00
Sipala	0.00	0.00	0.00	\$560.00	\$0.00	\$0.00	\$0.00
Smith	0.00	0.00	0.00	\$235.00	\$0.00	\$0.00	\$0.00
Schwarzmilller	0.00	0.00	0.00	\$340.00	\$0.00	\$0.00	\$0.00
Stull	0.00	18.00	18.00	\$445.00	\$0.00	\$8,010.00	\$8,010.00
Sutcliffe	0.00	0.00	0.00	\$340.00	\$0.00	\$0.00	\$0.00
Tinsay	57.00	0.00	57.00	\$235.00	\$13,395.00	\$0.00	\$13,395.00
Warner	32.00	4.00	36.00	\$340.00	\$10,880.00	\$1,360.00	\$12,240.00
			0.00				
	142.30	85.00	227.30		\$48,091.00	\$32,822.50	\$80,913.50

Name	Position	Tran Date	Eng.	Activity	Activity Description	Contract Description	Hours
Fisher, Jeffrey	Vice President	06/23/13	47268	47268-002-01	Review of prior work and finalization of site visit itineraries	Patriot Coal/Fresh Start 2013 - Fixed Assets	3.60
Fisher, Jeffrey	Vice President	06/06/13	47268	47268-002-01	Conference call with Patriot.	Patriot Coal/Fresh Start 2013 - Fixed Assets	0.50
Fisher, Jeffrey	Vice President	06/11/13	47268	47268-002-01	Worked on Patriot budget.	Patriot Coal/Fresh Start 2013 - Fixed Assets	0.50
Fisher, Jeffrey	Vice President	06/11/13	47268	47268-002-01	Meeting with deal team re: Patriot fresh start engagement.	Patriot Coal/Fresh Start 2013 - Fixed Assets	1.00
Fisher, Jeffrey	Vice President	06/12/13	47268	47268-002-01	Conference call with Patriot re: tangible assets.	Patriot Coal/Fresh Start 2013 - Fixed Assets	0.50
Fisher, Jeffrey	Vice President	06/13/13	47268	47268-002-01	Review of prior work and finalization of site visit itineraries	Patriot Coal/Fresh Start 2013 - Fixed Assets	2.50
Fisher, Jeffrey	Vice President	06/14/13	47268	47268-002-01	Review of prior work and finalization of site visit itineraries	Patriot Coal/Fresh Start 2013 - Fixed Assets	2.80
Fisher, Jeffrey	Vice President	06/17/13	47268	47268-002-01	Review of prior work and finalization of site visit itineraries	Patriot Coal/Fresh Start 2013 - Fixed Assets	2.80
Fisher, Jeffrey	Vice President	06/18/13	47268	47268-002-01	Review of prior work and finalization of site visit itineraries	Patriot Coal/Fresh Start 2013 - Fixed Assets	2.80
Fisher, Jeffrey	Vice President	06/19/13	47268	47268-002-01	Review of prior work and finalization of site visit itineraries	Patriot Coal/Fresh Start 2013 - Fixed Assets	2.50
Fisher, Jeffrey	Vice President	06/20/13	47268	47268-002-01	Review of prior work and finalization of site visit itineraries	Patriot Coal/Fresh Start 2013 - Fixed Assets	2.50
Lee, Edward	Managing Director	06/23/13	47268	47268-001-01	Discussions re work scope for restructuring and fresh start	Patriot Coal/Fresh Start 2013	4.50
Tinsay, Elena Petrova	Analyst	06/23/13	47268	47268-002-01	Cost trends and table building. Analysis of prior work product	Patriot Coal/Fresh Start 2013 - Fixed Assets	10.00
Dunne, Bryan	Senior Associate	06/24/13	47268	47268-001-01	Review discussions.	Patriot Coal/Fresh Start 2013	1.50
Fisher, Jeffrey	Vice President	06/24/13	47268	47268-002-01	Review Cost trends and table building. Analysis of prior work product	Patriot Coal/Fresh Start 2013 - Fixed Assets	3.00
Tinsay, Elena Petrova	Analyst	06/24/13	47268	47268-002-01	Cost trends and table building. Analysis of prior work product	Patriot Coal/Fresh Start 2013 - Fixed Assets	10.00
Warner, Jamie	Senior Associate	06/24/13	47268	47268-001-01	Review of existing Patriot models; Adjust for use in fresh start.	Patriot Coal/Fresh Start 2013	6.00
Dunne, Bryan	Senior Associate	06/25/13	47268	47268-001-01	Review discussions.	Patriot Coal/Fresh Start 2013	3.50
Fisher, Jeffrey	Vice President	06/25/13	47268	47268-002-01	Review Cost trends and table building. Analysis of prior work product	Patriot Coal/Fresh Start 2013 - Fixed Assets	3.00
Tinsay, Elena Petrova	Analyst	06/25/13	47268	47268-002-01	Preliminary modeling and initial analysis in preparation for site visits	Patriot Coal/Fresh Start 2013 - Fixed Assets	10.00
Warner, Jamie	Senior Associate	06/25/13	47268	47268-001-01	Review of new pricing assumptions. Modeling to incorporate new.	Patriot Coal/Fresh Start 2013	6.00
Fisher, Jeffrey	Vice President	06/26/13	47268	47268-002-01	Review Cost trends and table building. Analysis of prior work product	Patriot Coal/Fresh Start 2013 - Fixed Assets	3.00
Lane, William	Director	06/26/13	47268	47268-003-01	Discussions re work scope for restructuring and fresh start	Patriot Coal/Fresh Start 2013 - Real Estate	1.00
Tinsay, Elena Petrova	Analyst	06/26/13	47268	47268-002-01	Preliminary modeling and initial analysis in preparation for site visits	Patriot Coal/Fresh Start 2013 - Fixed Assets	10.00
Warner, Jamie	Senior Associate	06/26/13	47268	47268-001-01	Review of updated coal reserve assumptions by complex.	Patriot Coal/Fresh Start 2013	6.00
Dunne, Bryan	Senior Associate	06/27/13	47268	47268-001-01	Modeling	Patriot Coal/Fresh Start 2013	2.50
Fisher, Jeffrey	Vice President	06/27/13	47268	47268-002-01	Review Cost trends and table building. Analysis of prior work product	Patriot Coal/Fresh Start 2013 - Fixed Assets	3.00
Larrivee, Jeanine	Executive Assistant	06/27/13	47268	47268-001-01	Engagement Administrative Activities	Patriot Coal/Fresh Start 2013	0.80
Tinsay, Elena Petrova	Analyst	06/27/13	47268	47268-002-01	Preliminary modeling and initial analysis in preparation for site visits	Patriot Coal/Fresh Start 2013 - Fixed Assets	10.00
Warner, Jamie	Senior Associate	06/27/13	47268	47268-001-01	Modeling new reserve assumptions/adjust current to accommodate changes.	Patriot Coal/Fresh Start 2013	8.00
Fisher, Jeffrey	Vice President	06/28/13	47268	47268-002-01	Review Modeling. Project mangement - workflow and work product	Patriot Coal/Fresh Start 2013 - Fixed Assets	4.00
Lee, Edward	Managing Director	06/28/13	47268	47268-001-01	review status with D&P team	Patriot Coal/Fresh Start 2013	0.50

Name	Position	Tran Date	Eng.	Activity	Activity Description	Contract Description	Hours
Miller, Mark	Managing Director	06/28/13	47268	47268-002-01	Review fixed asset modeling and analysis	Patriot Coal/Fresh Start 2013 - Fixed Assets	1.00
Tinsay, Elena Petrova	Analyst	06/28/13	47268	47268-002-01	Preliminary modeling and initial analysis in preparation for site visits	Patriot Coal/Fresh Start 2013 - Fixed Assets	7.00
Warner, Jamie	Senior Associate	06/28/13	47268	47268-001-01	Update draft WACC model. Further adjustments to DCF model.	Patriot Coal/Fresh Start 2013	6.00
Dunne, Bryan	Senior Associate	07/01/13	47268	47268-001-01	Modeling	Patriot Coal/Fresh Start 2013	0.50
Huang, Kayleigh	Analyst	07/01/13	47268	47268-001-01	Modeling	Patriot Coal/Fresh Start 2013	1.50
Lee, Edward	Managing Director	07/01/13	47268	47268-001-01	Issue engagement letter, review documentation, discuss with team	Patriot Coal/Fresh Start 2013	2.00
Dunne, Bryan	Senior Associate	07/02/13	47268	47268-001-01	Modeling	Patriot Coal/Fresh Start 2013	0.50
Fisher, Jeffrey	Vice President	07/02/13	47268	47268-002-01	Review Modeling. Project mangement - workflow and work product	Patriot Coal/Fresh Start 2013 - Fixed Assets	1.00
Stull, Benjamin	Vice President	07/02/13	47268	47268-001-01	Engagement Administration, scope discussion and proposal preparation	Patriot Coal/Fresh Start 2013	10.00
Fisher, Jeffrey	Vice President	07/03/13	47268	47268-002-01	Review Modeling. Project mangement - workflow and work product	Patriot Coal/Fresh Start 2013 - Fixed Assets	1.00
Gavin, James	Managing Director	07/03/13	47268	47268-003-01	Internal discussions regarding real estate properties and scope	Patriot Coal/Fresh Start 2013 - Real Estate	1.00
Lane, William	Director	07/03/13	47268	47268-003-01	Internal discussions regarding real estate properties and scope	Patriot Coal/Fresh Start 2013 - Real Estate	2.00
Lee, Edward	Managing Director	07/03/13	47268	47268-001-01	revisions to Patriot scope of work	Patriot Coal/Fresh Start 2013	0.50
Warner, Jamie	Senior Associate	07/03/13	47268	47268-001-01	Internal discussions and planning regarding future efforts and requirements	Patriot Coal/Fresh Start 2013	4.00
Stull, Benjamin	Vice President	07/04/13	47268	47268-001-01	Internal discussions and planning regarding future efforts and requirements	Patriot Coal/Fresh Start 2013	4.00
Gavin, James	Managing Director	07/07/13	47268	47268-003-01	discussions regarding real estate properties and scope	Patriot Coal/Fresh Start 2013 - Real Estate	1.00
Dunne, Bryan	Senior Associate	07/08/13	47268	47268-001-01	Modeling	Patriot Coal/Fresh Start 2013	3.00
Fisher, Jeffrey	Vice President	07/08/13	47268	47268-002-01	Review Modeling. Project mangement - workflow and work product	Patriot Coal/Fresh Start 2013 - Fixed Assets	6.00
Huang, Kayleigh	Analyst	07/08/13	47268	47268-001-01	Modeling	Patriot Coal/Fresh Start 2013	3.50
Iino, Bradley	Analyst	07/08/13	47268	47268-003-01	Real Estate research	Patriot Coal/Fresh Start 2013 - Real Estate	4.00
Stull, Benjamin	Vice President	07/08/13	47268	47268-001-01	Modeling and Modeling review	Patriot Coal/Fresh Start 2013	3.30
Dunne, Bryan	Senior Associate	07/09/13	47268	47268-001-01	3 Hours Modeling, 4 hours review discussions	Patriot Coal/Fresh Start 2013	7.00
Fisher, Jeffrey	Vice President	07/09/13	47268	47268-002-01	Review Modeling. Project mangement - workflow and work product	Patriot Coal/Fresh Start 2013 - Fixed Assets	6.00
Iino, Bradley	Analyst	07/09/13	47268	47268-003-01	Real Estate research and analysis	Patriot Coal/Fresh Start 2013 - Real Estate	4.00
Lee, Edward	Managing Director	07/09/13	47268	47268-001-01	Further revisions to engagement letter	Patriot Coal/Fresh Start 2013	0.50
Barton, Arrin	Analyst	07/10/13	47268	47268-001-01	Discount Rate research	Patriot Coal/Fresh Start 2013	3.50
Dunne, Bryan	Senior Associate	07/10/13	47268	47268-001-01	Modeling	Patriot Coal/Fresh Start 2013	5.00
Fisher, Jeffrey	Vice President	07/10/13	47268	47268-002-01	Review Modeling. Project mangement - workflow and work product	Patriot Coal/Fresh Start 2013 - Fixed Assets	6.00
Iino, Bradley	Analyst	07/10/13	47268	47268-003-01	Real Estate research and analysis	Patriot Coal/Fresh Start 2013 - Real Estate	3.00
Lee, Edward	Managing Director	07/10/13	47268	47268-001-01	revisions to Patriot scope of work	Patriot Coal/Fresh Start 2013	0.50
Stull, Benjamin	Vice President	07/10/13	47268	47268-001-01	revisions to Patriot scope of work	Patriot Coal/Fresh Start 2013	0.70
<b>Total</b>							<b>227.30</b>

## EXHIBIT B

