

Hearing Date & Time: October 11, 2012 at 10:00 a.m. Eastern Standard Time  
Response Deadline: October 4, 2012 at 4:00 p.m. Eastern Standard Time

KRAMER LEVIN NAFTALIS & FRANKEL LLP

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*Counsel for the Official Committee of  
Unsecured Creditors of Patriot Coal Corporation, et al.*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11  
: :  
PATRIOT COAL CORPORATION, *et al.*, : Case No. 12-12900 (SCC)  
: :  
: :  
Debtors. : Jointly Administered  
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**NOTICE OF APPLICATION OF THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS OF PATRIOT COAL CORPORATION  
ET AL. PURSUANT TO FED. R. BANKR. P. 2014(a) FOR AN ORDER UNDER  
SECTION 1103 OF THE BANKRUPTCY CODE AUTHORIZING THE  
EMPLOYMENT AND RETENTION OF MESIROW FINANCIAL CONSULTING, LLC  
AS ACCOUNTING ADVISORS, NUNC PRO TUNC TO JULY 24, 2012**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

1. On September 27, 2012 the Official Committee of Unsecured Creditors (the "**Committee**") of the above captioned debtors and debtors-in-possession filed the attached Application of the Official Committee of Unsecured Creditors of Patriot Coal Corporation *et al.* Pursuant to Fed. R. Bankr. P. 2014(a) for an Order Under Section 1103 of the Bankruptcy Code Authorizing the Employment and Retention of Mesirow Financial Consulting, LLC as Accounting Advisors, *Nunc Pro Tunc* to July 24, 2012 (the "**Application**").

2. A hearing (the "**Hearing**") to consider the Application shall be held before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, in Room 610 of the United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York, 10004, on **October 11, 2012 at 10:00 a.m.** (prevailing Eastern time).

3. Any objections to the Application must be made in writing, filed with the Court (with a copy to Chambers) and served in accordance with the Order Establishing Certain Notice,

Case Management and Administrative Procedures entered on July 16, 2012 [Docket No. 84] (the “**Case Management Order**”), so as to be received no later than **October 4, 2012 at 4:00 p.m.** (prevailing Eastern Time) (the “**Objection Deadline**”).

4. If no objections to the entry of the Application are timely filed and served on or before the Objection Deadline, the Committee may submit to the Bankruptcy Court an order substantially in the form of the proposed order attached to the Application as **Exhibit B** (the “**Proposed Order**”).

5. A Copy of the Application can be obtained or viewed for a fee via PACER at [www.pacer.gov](http://www.pacer.gov) or (without charge) on the Debtors’ restructuring website at [www.patriotcaseinformation.com](http://www.patriotcaseinformation.com).

Dated: September 27, 2012  
New York, New York

KRAMER LEVIN NAFTALIS & FRANKEL LLP

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11  
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PATRIOT COAL CORPORATION, *et al.*, : Case No. 12-12900 (SCC)  
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Debtors. : Jointly Administered  
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**APPLICATION OF THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS OF PATRIOT COAL CORPORATION  
ET AL. PURSUANT TO FED. R. BANKR. P. 2014(a) FOR AN ORDER UNDER  
SECTION 1103 OF THE BANKRUPTCY CODE AUTHORIZING THE  
EMPLOYMENT AND RETENTION OF MESIROW FINANCIAL CONSULTING, LLC  
AS ACCOUNTING ADVISORS, NUNC PRO TUNC TO JULY 24, 2012**

The Official Committee of Unsecured Creditors (the “**Committee**”) of Patriot Coal Corporation and certain of its subsidiaries, debtors and debtors-in-possession (collectively, the “**Debtors**”)<sup>1</sup> in the above-captioned jointly administered chapter 11 cases (the “**Chapter 11**”

<sup>1</sup> In addition to Patriot Coal Corporation, the Debtors are as follows: (1) Affinity Mining Company; (2) Apogee Coal Company, LLC; (3) Appalachia Mine Services, LLC; (4) Beaver Dam Coal Company, LLC; (5) Big Eagle, LLC; (6) Big Eagle Rail, LLC; (7) Black Stallion Coal Company, LLC; (8) Black Walnut Coal Company; (9) Bluegrass Mine Services, LLC; (10) Brook Trout Coal, LLC; (11) Catenary Coal Company, LLC; (12) Central States Coal Reserves of Kentucky, LLC; (13) Charles Coal Company, LLC; (14) Cleaton Coal Company; (15) Coal Clean LLC; (16) Coal Properties, LLC; (17) Coal Reserve Holding Limited Liability Company No. 2; (18) Colony Bay Coal Company; (19) Cook Mountain Coal Company, LLC; (20) Corydon Resources LLC; (21) Coventry Mining Services, LLC; (22) Coyote Coal Company LLC; (23) Cub Branch Coal Company LLC; (24) Dakota LLC; (25) Day LLC; (26) Dixon Mining Company, LLC; (27) Dodge Hill Holding JV, LLC; (28) Dodge Hill Mining Company, LLC; (29) Dodge Hill of Kentucky, LLC; (30) EACC Camps, Inc.; (31) Eastern Associated Coal, LLC; (32) Eastern Coal Company, LLC; (33)

**Cases**”), submits this application (the “Application”) for entry of an order, pursuant to 11 U.S.C. §§ 1103(a) and 1103(b), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure, and Rules 2014-1 and 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Bankruptcy Rules**”) authorizing the retention and employment of Mesirow Financial Consulting, LLC (“**MFC**”) as accounting advisors to the Committee nunc pro tunc to July 24, 2012. In support of this Application, the Committee relies upon the declaration of Monty Kehl (the “**Kehl Declaration**”), attached hereto as **Exhibit 1** and incorporated herein by reference, and respectfully represents as follows:

#### **BACKGROUND**

1. On July 9, 2012, each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (the “**Bankruptcy Code**”). The Debtors’ Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b). The Debtors continue to operate their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

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Eastern Royalty, LLC; (34) Emerald Processing, LLC; (35) Gateway Eagle Coal Company, LLC; (36) Grand Eagle Mining, LLC; (37) Heritage Coal Company LLC; (38) Highland Mining Company, LLC; (39) Hillside Mining Company; (40) Hobet Mining, LLC; (41) Indian Hill Company LLC; (42) Infinity Coal Sales, LLC; (43) Interior Holdings, LLC; (44) IO Coal LLC; (45) Jarrell’s Branch Coal Company; (46) Jupiter Holdings LLC; (47) Kanawha Eagle Coal, LLC; (48) Kanawha River Ventures I, LLC; (49) Kanawha River Ventures II, LLC; (50) Kanawha River Ventures III, LLC; (51) KE Ventures, LLC; (52) Little Creek LLC; (53) Logan Fork Coal Company; (54) Magnum Coal Company LLC; (55) Magnum Coal Sales LLC; (56) Martinka Coal Company, LLC; (57) Midland Trail Energy LLC; (58) Midwest Coal Resources II, LLC; (59) Mountain View Coal Company, LLC; (60) New Trout Coal Holdings II, LLC; (61) Newtown Energy, Inc. (62) North Page Coal Corp.; (63) Ohio County Coal Company, LLC; (64) Panther LLC; (65) Patriot Beaver Dam Holdings, LLC; (66) Patriot Coal Company, LP; (67) Patriot Coal Sales LLC; (68) Patriot Coal Services LLC; (69) Patriot Leasing Company LLC; (70) Patriot Midwest Holdings, LLC; (71) Patriot Reserve Holdings, LLC; (72) Patriot Trading LLC; (73) PCX Enterprises, Inc.; (74) Pine Ridge Coal Company, LLC; (75) Pond Creek Land Resources, LLC; (76) Pond Fork Processing LLC; (77) Remington Holdings LLC; (78) Remington II LLC; (79) Remington LLC; (80) Rivers Edge Mining, Inc.; (81) Robin Land Company, LLC; (82) Sentry Mining, LLC; (83) Snowberry Land Company; (84) Speed Mining LLC; (85) Sterling Smokeless Coal Company, LLC; (86) TC Sales Company, LLC; (87) The Presidents Energy Company LLC; (88) Thunderhill Coal LLC; (89) Trout Coal Holdings, LLC; (90) Union County Coal Co., LLC; (91) Viper LLC; (92) Weatherby Processing LLC; (93) Wildcat Energy LLC; (94) Wildcat, LLC; (95) Will Scarlet Properties LLC; (96) Winchester LLC; (97) Winifrede Dock Limited Liability Company; and (98) Yankeetown Dock, LLC. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

2. On July 18, 2012, the United States Trustee for Region 2 (the “**U.S. Trustee**”) pursuant to section 1102 of the Bankruptcy Code, appointed the Committee to represent the interests of all unsecured creditors in these Chapter 11 Cases. The Committee consists of seven members and are: (i) Wilmington Trust Company; (ii) U.S. Bank National Association; (iii) United Mine Workers of America; (iv) United Mine Workers of America 1974 Pension Plan and Trust; (v) Gulf Coast Capital Partners, LLC; (vi) Cecil Walker Machinery and (vii) American Electric Power.

3. At a meeting of the Committee held on July 24, 2012, the Committee interviewed several potential advisors and, after due deliberation and a vote, decided to retain (i) Houlihan Lokey Capital, Inc. (“**Houlihan Lokey**”) as its financial advisor and (ii) MFC as its accounting advisor for specific projects. Prior to filing this Application, substantial efforts were undertaken by the Committee to carefully delineate and allocate (the “**Allocation**”) the respective services to be provided by each of Houlihan Lokey and MFC to avoid overlap, duplication and most importantly, to ensure that advice and guidance deemed necessary and appropriate by the Committee in furtherance of its duties is provided in a timely and cost effective manner.

#### **JURISDICTION AND VENUE**

4. This Court has jurisdiction to consider this Application under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of this Application in this District is proper under 28 U.S.C. §§ 1408. The statutory predicates for the relief sought herein are sections 1103(a) and 1103(b) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016 and Local Bankruptcy Rule 2014-1 and 2016-1.

#### **RELIEF REQUESTED**

5. By this Application, the Committee requests entry of an order authorizing it to retain and employ MFC as its accounting advisor in these Chapter 11 Cases, nunc pro tunc to

July 24, 2012. The Committee requests that MFC be retained to perform those accounting advisory services described in the Application on the terms set forth herein.

**SERVICES TO BE RENDERED**

6. The Committee has requested that MFC provide limited accounting advisory services to the Committee in order to advise the Committee in the course of these Chapter 11 Cases. As noted below, the Committee also seeks (by separate application) to retain Houlihan Lokey as its financial advisor in these cases. However, the Committee believes that MFC can provide certain supplemental and discrete accounting advisory (as opposed to strategic) services, as follows:

- a. Assist the Committee in analyzing potential causes of action (the “Causes of Action”), including potential preferences and fraudulent conveyances, specifically, including the investigation of transactions with Peabody, Arch, and ArcLite;
- b. Analyze any proposed annual incentive bonus program/KEIP;
- c. Financial support and analysis of OPEB<sup>2</sup>/Pension/Labor obligations, including funding status and financial analysis;
- d. Provide tax analyses;
- e. Provide litigation support services, which may include but are not limited to assisting with discovery, advising on damages and providing expert testimony, in connection with the Causes of Action or other litigation support requested by the Committee;
- f. Analyze intercompany claims and transactions, including as set forth on the Debtors’ Schedules/Statements of Financial Affairs; and
- g. Other such discrete and specific functions as may be requested by the Committee or its counsel to assist the Committee in these Chapter 11 Cases (provided that such services are not duplicative of those being provided by Houlihan Lokey).

7. Should the Committee prior to confirmation of a chapter 11 plan(s) seek to expand the role of MFC beyond the matters listed above, MFC will file with this Court a notice of expanded role, including a description of such expanded services, and serve such notice and

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<sup>2</sup> OPEB means “Other Post-Employment Benefits.”

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. The timeliness of a disclosure as set forth in this paragraph will be based on the facts and circumstances of each particular matter, including whether the disclosure would reveal privileged information or strategy of the Committee, or otherwise hinder or compromise the Committee's position or ability to discharge its duties and responsibilities in these Chapter 11 Cases. Timeliness shall be as soon as is reasonably practicable under the circumstances.

**NO DUPLICATION OF SERVICES**

8. The Committee intends to retain Houlihan Lokey as its general financial advisor in these cases. While Houlihan Lokey will be serving as the financial advisor, MFC has specialized expertise that the Committee believed would be beneficial to utilize in the Committee's exercise of its fiduciary duties to all creditors. At the request of the Committee, Houlihan Lokey and MFC have met and conferred about an efficient division of projects and responsibilities. Thereafter, the Committee reviewed the proposed allocation and after further refinements, has approved such allocation.

9. Using existing precedent in this District where dual advisors have been retained to assist officials committees (See, e.g., In re Residential Capital, LLC, et al., Case No. 12-12020 (MG) (Bankr. S.D.N.Y. 2012); In re AMR Corporation, et al., Case No. 11-15463 (SHL) (Bankr. S.D.N.Y. 2012); In re Arcapita Bank B.S.C.(c), et al., Case No. 12-11076 (SHL) (Bankr. S.D.N.Y. 2012); In re Eastman Kodak Co., et al., Case No. 12-10202 (ALG) (Bankr. S.D.N.Y. 2012), the Committee developed the Allocation of responsibilities between MFC and Houlihan set forth in the Allocation found at **Exhibit 2**. The Allocation reflects the fundamentally different roles of the proposed advisors and the nature of their expertise: Houlihan Lokey will be acting as the Committee's strategic, financial advisor concerning a diverse variety of matters that the Committee

will need to consider in the exercise of its fiduciary duties. MFC, on the other hand, will have very specific tasks intended to supplement the services being provided by Houlihan Lokey because the Committee felt that MFC's expertise as an accounting advisor would be beneficial. Each of Houlihan Lokey and MFC will have different roles on behalf of the Committee – one, as a broader strategic financial advisor (Houlihan Lokey), and the other providing discrete accounting analysis (MFC). While certain of the general topics may appear to overlap (e.g., employee/retiree matters), the actual roles performed will not. For example, on employee/retiree issues, MFC will be providing actuarial and related assistance to evaluate potential OPEB and multiemployer claims, whereas Houlihan Lokey will be providing strategic advice to assist the Committee in evaluating any proposals developed by the Debtors under section 1113 and/or 1114 of the Bankruptcy Code.

10. The Allocation of services to be provided by Houlihan Lokey and MFC will be supervised by the Committee. While the Committee cannot predict the progress or the issues that may arise in these complex Chapter 11 Cases, the Committee believes that with the well-defined roles for Houlihan Lokey and MFC, there is an efficient and cost-effective division of labor and use of resources which will not create any additional burden on the Debtors and their professionals as compared with a single advisor. Similarly, all of the Committee's professionals will function cohesively to ensure that services provided to the Committee by each firm are not duplicative.

11. The Committee's intention in hiring both a financial advisor and an accounting advisor is to efficiently and cost-effectively meet its obligations to protect the interests of and maximize value for all unsecured creditors. To facilitate this goal, the Committee negotiated a reduction in both the monthly and deferred fee of Houlihan Lokey, while creating a limited and discrete role for MFC at a reasonable hourly rate. The Committee believes that the Allocation represents an efficient division of labor and use of resources.

**BASIS FOR RELIEF**

12. It is necessary and essential that the Committee, as a fiduciary for all general unsecured claims holders, employ an accounting advisor to render the foregoing professional services. The Committee has selected MFC as its accounting advisors because of the firm's significant expertise in providing accounting advisory services to debtors and creditors in restructurings and distressed situations.

13. The Committee needs assistance in collecting and analyzing financial and other information in relation to the Chapter 11 Cases. Its selection of a financial advisor and an accounting advisor was in furtherance of this function with each performing specific tasks within their expertise without overlap or duplication. As discussed above, certain topics with which Houlihan Lokey and MFC have roles may be similar (i.e., labor and benefits analysis), but the specific tasks and nature of services are distinct. MFC has considerable experience with rendering such accounting advisory services to committees and other parties in numerous chapter 11 cases with respect to the nature of services it will provide as set forth in the Allocation (as defined below). Accordingly, the Committee submits that MFC is qualified to perform the work that the Committee will require in representing the interests of general unsecured creditors in these cases.

14. MFC is expected to render such accounting advisory services as the Committee may consider necessary to discharge the Committee's responsibilities and further the interests of its constituents in these cases. Based upon the foregoing, the Committee submits that the retention of MFC is necessary, appropriate and in the best interests of its constituents.

**PROFESSIONAL COMPENSATION**

15. MFC's requested compensation for professional services rendered to the Committee will be based upon the hours actually expended by each assigned staff member at each

staff member's hourly billing rate. The Committee has agreed to compensate MFC for professional services rendered at its normal and customary hourly rates.

16. Fees for services to be rendered by MFC will be billed at the rates in effect at the time that the services are rendered. The rates provided below (which reflect MFC's annual revision of its hourly rates) are MFC's normal and customary rates for matters of this sort effective January 1, 2012. MFC shall not bill the Debtors for staff or paraprofessionals performing clerical or administrative services.

Level	Hourly rates
Director, Managing Director, and Senior Managing Director	\$855-\$895
Senior Vice-President	\$695-\$755
Vice President	\$595-\$655
Senior Associate	\$495-\$555
Associate	\$315-\$425
Paraprofessional	\$160-\$250

17. MFC currently does not contemplate utilizing independent contractors or sub-contractors in performing its role in these Chapter 11 Cases. To the extent that the circumstances change to warrant the use of sub-contractors or independent contractors, MFC will file a supplemental notice, as soon as reasonably practicable without disclosing any privileged or otherwise confidential information or strategy, indicating such use and the nature of the services utilizing the same disclosure procedure as set for in paragraph 7 above.

18. MFC will also seek reimbursement for necessary expenses incurred, which shall include, but not be limited to, travel, photocopying, delivery service, postage, vendor charges and other out-of-pocket expenses incurred in providing professional services.

19. MFC intends to apply to the Court for the allowance of compensation for professional services rendered and reimbursement of expenses incurred in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules,

the Fee Guidelines<sup>3</sup>, and any applicable order of this Court. MFC has agreed to accept as compensation such sums as may be allowed by the Court. MFC understands that interim and final fee awards are subject to approval by this Court.

#### **INDEMNIFICATION**

20. By this Application, the Committee requests that the Debtors and their estates agree to indemnify MFC upon those terms set forth in the Kehl Declaration. The Committee believes that the Indemnification Provision is customary and reasonable for advisors, both out-of-court and in chapter 11 proceedings. See In re Joan & David Halpern, Inc., 246 B.R. 42 (Bankr. S.D.N.Y. 2000); Application of Official Committee of Unsecured Creditors for Entry of Order Authorizing the Retention and Employment of Mesirow Financial Consulting LLC as its Financial Advisors *Nunc Pro Tunc* to December 6, 2011, In re: AMR Corp., No. 11-15463 (Bankr. S.D.N.Y. February 15, 2012) [Docket No. 1169]; Order Authorizing The Employment And Retention Of Mesirow Financial Consulting, LLC as Financial Advisors To The Official Committee Of Unsecured Creditors *Nunc Pro Tunc* To December 6, 2011 at 3-4, In re: AMR Corp., No. 11-15463 (Bankr. S.D.N.Y. March 8, 2012) [Docket No. 1650].

#### **COMPLIANCE WITH SECTIONS 1103 AND 328(C) OF THE BANKRUPTCY CODE**

21. Section 1103(b) of the Bankruptcy Code provides that a professional “employed to represent a committee appointed under section 1102 of this title may not, while employed by such committee, represent any other entity having an adverse interest in connection with the case.” 11 U.S.C. § 1103(b). To the best of the Committee’s knowledge and based upon the Kehl Declaration, (a) MFC’s connections with the Debtors, creditors, any other party in interest, or

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<sup>3</sup> The Fee Guidelines are comprised of the Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals, dated August 2, 2012 [Docket No. 262], the Standing Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals [M-412] (Dec. 21, 2010), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases [M-389] (Nov. 25, 2009), and the U.S. Trustee Guidelines.

their respective attorneys are disclosed on **Exhibit B** to the Kehl Declaration; and (b) the MFC professionals working on this matter are not relatives of the United States Trustee of Region 2 or of any known employee in the office thereof, or any United States Bankruptcy Judge of the Southern District of New York. MFC has not provided, and will not provide any, professional services to the Debtors, any of the creditors, other parties-in-interest, or their respective attorneys and accountants with regard to any matter related to these Chapter 11 Cases. To the best of the Committee's knowledge and based upon the Kehl Declaration, MFC does not hold or represent an interest adverse to the estates with respect to the matter on which MFC will be employed, in accordance with section 328(c) and 1103(b) of the Bankruptcy Code. To the best of the Committee's knowledge and based upon the Kehl Declaration, MFC is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code.<sup>4</sup>

#### **NUNC PRO TUNC RETENTION**

22. The Committee required the immediate assistance of MFC commencing on July 24, 2012. Consequently, the Committee respectfully requests that the retention of MFC be effective nunc pro tunc to July 24, 2012, the date the Committee selected the MFC as its accounting advisor.

#### **MOTION PRACTICE**

23. This Application includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated, and a discussion of their application

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<sup>4</sup> Although section 1103 of the Bankruptcy Code does not contain an express requirement that a professional retained by a committee be disinterested, section 328(c) of the Bankruptcy Code provides that a bankruptcy court "may deny allowance of compensation for services and reimbursement of expenses of a professional employed under section 327 or 1103 of this title if . . . such professional person is not a disinterested person." 11 U.S.C. § 328(c). As a result, notwithstanding the language of section 1103 of the Bankruptcy Code, at least one court has concluded that counsel for a committee must be disinterested in order to be retained. In re Caldor, Inc., 193 B.R. 165 (Bankr. S.D.N.Y. 1996). See also In re Enron Corp. (Exco Resources, Inc. v. Milbank, Tweed, Hadley & McCloy LLP), 2003 WL 223455 (S.D.N.Y.).

to this Application. Accordingly, the Committee submits that this Application satisfies Local Rule 9013-1(a).

**NOTICE**

24. Consistent with the procedures described in the Court's Order Pursuant to 11 U.S.C. §§ 105(a) and (d) and Bankruptcy Rules 1015(c), 2002(m), and 9007 Implementing Certain Notice and Case Management Procedures [Docket No.84] (the "**Case Management Order**"), this Application has been served on the Standard Parties and the Rule 2002 Parties (as those terms are defined in the Case Management Order). In light of the nature of the Application, the Committee submits that no other and further notice be given and that the notice provided of the Application is sufficient.

**NO PRIOR REQUEST**

25. No previous application for the relief sought herein has been made to this or any other court.

WHEREFORE, the Committee respectfully requests that the Court enter an Order, substantially in the form attached hereto as **Exhibit 3**, (i) granting this Application, (ii) authorizing the Committee to retain and employ MFC as its accounting advisors *nunc pro tunc* to July 24, 2012 to perform the services set forth herein, (iii) the payment and reimbursement of MFC's fees and disbursements, subject to interim and final allowance thereof in accordance with sections 328(a), section 330 review by the Office of the United States Trustee and *sua sponte* review of the of the Court, and 1103 of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-1 or as otherwise ordered by the Court; (iv) approving the indemnification as set forth in the Kehl Declaration; and (v) granting such other and further relief as is just and proper.

Dated: New York, New York  
September 27, 2012

THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS OF  
**PATRIOT COAL CORPORATION, et al.**

By: /s/ Steven Cimalore  
Steven Cimalore, on behalf of Wilmington  
Trust Company Chairperson of the Official  
Committee of Unsecured Creditors of Patriot  
Coal Corporation, *et al.*

Filed by:

Dated: New York, New York  
September 27, 2012

KRAMER LEVIN NAFTALIS & FRANKEL LLP

/s/ Adam C. Rogoff

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*Proposed Counsel for the Official Committee of  
Unsecured Creditors of Patriot Coal Corporation, et  
al.*

**EXHIBIT 1**

**KEHL DECLARATION**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11  
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PATRIOT COAL CORPORATION, *et al.*, : Case No. 12-12900 (SCC)  
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Debtors. : Jointly Administered  
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**DECLARATION OF MONTY KEHL IN SUPPORT OF APPLICATION OF THE  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF PATRIOT COAL  
CORPORATION *ET AL.* PURSUANT TO FED. R. BANKR. P. 2014(a) FOR AN ORDER  
UNDER SECTION 1103 OF THE BANKRUPTCY CODE AUTHORIZING THE  
EMPLOYMENT AND RETENTION OF MESIROW FINANCIAL CONSULTING, LLC  
AS ACCOUNTING ADVISORS, NUNC PRO TUNC TO JULY 24, 2012**

I, Monty Kehl, hereby declare that the following is true and correct to the best of my knowledge, information and belief:

1. I am a Senior Managing Director of Mesirow Financial Consulting, LLC (“**MFC**”), a professional services firm engaged in the business of providing financial and accounting advisory and related professional consulting services. MFC is a wholly-owned subsidiary of Mesirow Financial Holdings, Inc., a diversified financial services firm which also offers investment management services, insurance services, investment services, investment banking and real estate services (collectively “**Mesirow Financial**”). I submit this declaration on behalf of MFC in support of the application (the “**Application**”)<sup>1</sup> of the Official Committee of Unsecured Creditors (the “**Committee**”) appointed in the above-captioned jointly administered chapter 11 cases (the “**Chapter 11 Cases**”) of Patriot Coal Corporation and certain of its subsidiaries, debtors and debtors-in-possession (collectively, the “**Debtors**”), for entry of an order, pursuant to sections 1103(a) and 1103(b) of Title 11 of the United States Code (the

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<sup>1</sup> Capitalized terms used herein but not otherwise defined shall have those meanings set forth in the Application

“**Bankruptcy Code**”), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rules 2014-1 and 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Bankruptcy Rules**”), authorizing the retention and employment of MFC as accounting advisors to the Committee *nunc pro tunc* to July 24, 2012. I have personal knowledge of the matters set forth herein, and if called as a witness, would testify competently thereto.

#### **QUALIFICATIONS OF MFC**

2. MFC is a firm offering financial and accounting advisory services to financially distressed and troubled companies.

3. MFC understands that the Committee has selected MFC as its accounting advisors because of the firm's significant expertise in providing financial and accounting advisory services to debtors and creditors in restructurings and distressed situations.

4. The Committee requires assistance in collecting and analyzing financial and other information in relation to the Chapter 11 Cases with respect to discrete projects as set forth in the Allocation attached as Exhibit 2 to the Motion. The professionals of MFC have considerable experience with rendering such accounting services to committees and other parties in numerous chapter 11 cases with respect to the. As such, MFC is qualified to perform the work required in these cases and the only entity of Mesirow Financial that will be providing services to the Committee as discussed in this Application.

#### **SERVICES TO BE RENDERED**

5. The Committee anticipates that MFC may render the following services in these Chapter 11 Cases:

- a. Assist the Committee in analyzing potential causes of action (the “**Causes of Action**”), including potential preferences and fraudulent conveyances,

specifically, including the investigation of transactions with Peabody, Arch, and ArcLite;

- b. Analyze any proposed annual incentive bonus program/KEIP;
- c. Financial support and analysis of OPEB/Pension/Labor obligations, including funding status and financial analysis;
- d. Provide tax analyses;
- e. Provide litigation support services, which may include but are not limited to assisting with discovery, advising on damages and providing expert testimony, in connection with the Causes of Action or other litigation support requested by the Committee;
- f. Analyze intercompany claims and transactions, including as set forth on the Debtors' Schedules/Statements of Financial Affairs; and
- g. Other such discrete and specific functions as may be requested by the Committee or its counsel to assist the Committee in these Chapter 11 Cases (provided that such services are not duplicative of those being provided by Houlihan Lokey).

6. Should the Committee prior to confirmation of a chapter 11 plan(s) seek to expand the role of MFC beyond the matters listed above, MFC 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. The timeliness of a disclosure as set forth in this paragraph will be based on the facts and circumstances of each particular matter, including whether the disclosure would reveal privileged information or strategy of the Committee, or otherwise hinder or compromise the Committee's position or ability to discharge its duties and responsibilities in these Chapter 11 Cases. Timeliness shall be as soon as is reasonably practicable under the circumstances.

7. MFC does not contemplate utilizing independent contractors or sub-contractors in performing its role in these Chapter 11 Cases. To the extent that the circumstances change to warrant the use of sub-contractors or independent contractors, MFC will file a supplemental declaration, as soon as reasonably practicable without disclosing any privileged or otherwise confidential information or strategy, indicating such use and the nature of the services pursuant to the disclosure procedures set forth in the order approving MFC's retention.

**NO DUPLICATION OF SERVICES**

6. MFC understands that the Committee also seeks to retain Houlihan Lokey as its financial advisor. At the request of the Committee, Houlihan Lokey and MFC have met and conferred about an efficient division of projects and responsibilities. As a result of these discussions, the Committee has the proposed allocation and after further refinements, these discussions resulted in the Allocation, as set forth in Exhibit 2 to the Application. Pursuant to this Allocation, Houlihan Lokey will serve as the "financial advisor" and will work in coordination with MFC who shall act on limited and discrete projects as an "accounting advisor" to the Committee.<sup>2</sup> The Committee has filed or will file a motion to retain and employ Houlihan Lokey to advise the Committee on matters, including but not limited to, analyzing the Debtors' business and operating plans and forecasts, analyzing strategic and restructuring alternatives available to the Debtors, and providing valuation and debt capacity analysis. The allocation of services to be provided by Houlihan Lokey and MFC will be supervised by the Committee. While the Committee cannot predict the progress or the issues that may arise in these complex Chapter 11 Cases, the Committee believes that with their respective well-defined roles, Houlihan Lokey and MFC will not duplicate services that they provide to the Committee and will not

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<sup>2</sup> For example, Houlihan Lokey will participate as needed in Committee meetings and MFC will also participate in Committee meetings relating directly to their allocated services and to the extent its services are needed.

create any additional burden on the Debtors and their professionals as compared with a single advisor. Similarly, all of the Committee's professionals will function cohesively to ensure that services provided to the Committee by each firm are not duplicative.

**COMPLIANCE WITH SECTIONS 1103 AND 328(C) OF THE BANKRUPTCY CODE**

8. Based upon information supplied by Debtors' counsel and counsel to the Committee, MFC searched its records and certain records of Mesirow Financial<sup>3</sup> subject to the Trading Wall as defined below to identify any connection or relationship with the following entities whose names were provided to MFC by the Debtors' counsel and counsel to the Committee and are set forth in **Exhibit A** attached hereto and incorporated herein by reference. Based upon the database search described above, MFC does not represent any other entity having an adverse interest in connection with these cases and does not hold or represent an interest adverse to the interests of the estates with respect to the matter on which MFC will be employed, in accordance with section 328(c) and 1103(b) of the Bankruptcy Code. MFC and its employees are each a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, given that, to the best of my information and belief, each of MFC and its employees:

- a. is not a creditor, an equity security holder or an insider of the Debtors;
- b. is not and was not within two years before the commencement of these Chapter 11 Cases, a director, officer or employee of the Debtors; and
- c. does not have an interest materially adverse to the interests of the 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 Debtors or for any other reason.

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<sup>3</sup> MFC does not intend to suggest that Bankruptcy Rule 2014 requires that a professional seeking retention under the Bankruptcy Code must disclose any connections that an *affiliate* of the professional may have to the creditors or other parties-in-interest in the bankruptcy case. Rather, out of an abundance of caution, MFC has searched certain portions of Mesirow Financial's database and made appropriate disclosures of relationships, with the exception of those relationships described in the section titled "Ethical Wall and Trading Wall Procedures."

9. To the best of my knowledge, except as set forth herein and in **Exhibit B** attached hereto and incorporated herein by reference and subject to the limitations discussed herein, (a) MFC has no connections with the Debtors, creditors, and any other party-in-interest, or their respective attorneys and accountants; and (b) the employees of MFC are not relatives of the United States Trustee for Region 2 or of any known employee in the offices thereof, or any United States Bankruptcy Judge of the Southern District of New York.

10. MFC, and in some cases Mesirow Financial, has in the past been retained by, and presently and likely in the future will provide services for, certain creditors of the Debtors, other parties-in-interest, and their respective attorneys and accountants in matters unrelated to these Chapter 11 Cases. Each of the past and present matters constituted less than 1% of Mesirow Financial's revenue for the relevant year. MFC currently performs or has previously performed such services for the entities listed in **Exhibit B**.

11. As part of its practice, MFC appears in many cases, proceedings, and transactions involving many different law firms, financial consultants, and investment bankers in matters unrelated to this bankruptcy. MFC has not identified any material relationships or connections with any law firm, financial consultant or investment banker involved in these Chapter 11 Cases that would cause it to be adverse to the Debtors, the Debtors' estates, any creditor or any other party-in-interest, or that would otherwise affect MFC's judgment or ability to perform services for the Committee.<sup>4</sup>

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<sup>4</sup> From time to time, MFC and Mesirow Financial retain a number of law firms in the ordinary course of their business. No law firm has been retained by MFC or Mesirow Financial for the purposes of representation with regard to this matter.

12. MFC has not provided, and will not provide, any professional services to the Debtors, any of the individual creditors, other parties-in-interest, or their respective attorneys and accountants with regard to any matter related to these Chapter 11 Cases.

13. Prior to the Petition Date, MFC did not receive any payments from the Debtors and is not a prepetition creditor of the Debtors.

**ETHICAL WALL AND TRADING WALL PROCEDURES**

14. Mesirow Financial has established an “Ethical Wall” between MFC and the other subsidiaries, divisions, and units of Mesirow Financial. The Ethical Wall prohibits MFC from sharing confidential or non-public information concerning the Debtors and these cases with any other employees of Mesirow Financial. Likewise, the Ethical Wall prohibits any employees of Mesirow Financial from sharing confidential or non-public information concerning the Debtors and these cases with any employee of MFC. Mesirow Financial and MFC have informed all employees of the Ethical Wall procedures.

15. In addition to the Ethical Wall, Mesirow Financial has also established a “Trading Wall.” In the ordinary course of business, Mesirow Financial, Inc. (“**MFI**”), Mesirow Financial's affiliated broker-dealer, may purchase or sell securities on a principal or agency basis. MFI also executes securities transactions on behalf of clients of introducing broker-dealers or unaffiliated investment advisors.<sup>5</sup> In the ordinary course of business, Mesirow Financial's affiliated investment advisor subsidiaries, together with MFI (collectively, the “**Mesirow BD/IA Subsidiaries**”), may purchase securities, sell securities and/or provide investment advice to retail or institutional clients on a non-discretionary or discretionary basis. The securities transacted by

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<sup>5</sup> MFI provides clearing services for introducing broker-dealers as well as custodial and execution services for unaffiliated investment advisors. In connection with these services, all investment decisions occur between the introducing broker-dealer and unaffiliated investment advisor and their respective clients.

the Mesirow BD/IA Subsidiaries may include securities issued by the Debtors, creditors, stakeholders or other parties-in-interest in these cases (“**Related Securities**”).

16. Mesirow Financial has implemented certain “Trading Wall” procedures to ensure that information concerning transactions by the Mesirow BD/IA Subsidiaries in Related Securities, as well as other securities transactions by the Mesirow BD/IA Subsidiaries, will not be available to the employees of MFC. These Trading Wall procedures also permit the Mesirow BD/IA Subsidiaries to act in the best interest of their clients and in accordance with securities laws. The Mesirow BD/IA Subsidiaries are operated as separate and distinct subsidiaries from MFC. Mesirow Financial has informed the employees of the Mesirow BD/IA Subsidiaries and MFC of the Trading Wall procedures.

17. Based upon an email inquiry made of the MFC team, and the lack of any affirmative replies to such inquiry, it is my understanding that no member of the MFC team or their respective immediate family members own Patriot Coal Corporation’s stock (Ticker Symbol “PCX”) or are creditors of the Debtors. For the avoidance of doubt, no member of the MFC team providing services to the Committee own the Debtors’ securities. MFC’s professionals invest in a broad array of mutual funds and ETFs, some number of which either currently or may in the future own securities of Patriot Coal Corporation or some of its creditors.

#### **INDEMNIFICATION**

18. The Committee has agreed to seek a court order requiring that the Debtors and their estates indemnify, defend and hold harmless MFC, its officers, directors, shareholders, principals, members, managers, employees, affiliates, representatives and agents (collectively, the “**MFC Indemnified Parties**”) from and against any and all losses, claims, damages, liabilities, penalties, obligations and expenses, including, without limitation, the costs and

expenses for counsel, incurred by or asserted against the MFC Indemnified Parties in connection with or in any way related to MFC's engagement as accounting advisors to the Committee.

19. MFC agrees that the above indemnification shall be subject to the following conditions:

- a. all requests by the MFC Indemnified Parties for indemnification by the Debtors and their estates pursuant to the Kehl Declaration and incorporated herein by reference and in this Order approving this indemnification, shall be made by means of an application filed with the Bankruptcy Court (interim or final as the case may be) and shall be subject to review by the Bankruptcy Court to ensure that payment of such indemnity conforms to the terms of this Order approving this indemnification and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought;
- b. in no event shall the MFC Indemnified Parties be indemnified in the case of their own intentional fraud, bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct;
- c. in no event shall the MFC Indemnified Parties be indemnified if the Committee or a representative of the Committee, asserts a claim for, and a court determines by final order that such claim arose out of, MFC's own intentional fraud, bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct;
- d. in the event that the MFC Indemnified Parties seek reimbursement for attorneys' fees from the Debtors and the estates pursuant to this Order, the invoices and supporting time records from such attorneys shall be included in MFC's own applications (both interim and final) and such invoices and time records shall be subject to the Fee Guidelines and the approval of the Bankruptcy Court under the standards of sections 330 and 331 of the Bankruptcy Code without regard to whether such attorney has been retained under sections 1103(a) and 1103(b) of the Bankruptcy Code and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code; and
- e. MFC shall not be entitled to reimbursement by the Debtors for any fees, disbursements and other charges of MFC's counsel other than those incurred in connection with a request of MFC for payment of indemnity.

**PROFESSIONAL COMPENSATION**

18. MFC's requested compensation for professional services rendered to the Committee will be based upon the hours actually expended by each assigned staff member at each staff member's hourly billing rate. The Committee has agreed to compensate MFC for professional services rendered at its normal and customary hourly rates.

19. Fees for services to be rendered by MFC will be billed at the rates in effect at the time that the services are rendered. The rates provided below (which reflect MFC's annual revision of its hourly rates) are MFC's normal and customary rates for matters of this sort effective January 1, 2012.

Level	Hourly rates
Director, Managing Director, and Senior Managing Director	\$855-\$895
Senior Vice-President	\$695-\$755
Vice President	\$595-\$655
Senior Associate	\$495-\$555
Associate	\$315-\$425
Paraprofessional	\$160-\$250

20. MFC will also seek reimbursement for necessary expenses incurred, which shall include, but not be limited to, travel, photocopying, delivery service, postage, vendor charges and other out-of-pocket expenses incurred in providing professional services.

21. MFC intends to apply to the Court for the allowance of compensation for professional services rendered and reimbursement of expenses incurred in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules. MFC has agreed to accept as compensation such sums as may be allowed by the Court. MFC understands that interim and final fee awards are subject to approval by this Court.

22. In accordance with section 504 of the Bankruptcy Code, I hereby state that there is no agreement or understanding between MFC and any other entity for the sharing of compensation received or to be received for services rendered in connection with these cases.

23. This declaration is provided in accordance with section 328(c) and 1103(b) of the Bankruptcy Code and Bankruptcy Rule 2014.

*[Remainder of Page Intentionally Left Blank]*

I declare under penalty of perjury under the laws of the United States of America  
that, to the best of my knowledge and belief, and after reasonable inquiry, the foregoing is true  
and correct.

Dated: Chicago, Illinois  
September 27, 2012

MESIROW FINANCIAL CONSULTING, LLC

By:   
Monty Kehl  
Senior Managing Director  
353 North Clark Street  
Chicago, Illinois 60654

## EXHIBIT A

This information is being provided in connection with the Declaration of Monty Kehl in support of the Application for Order Authorizing the Retention and Employment of Mesirow Financial Consulting, LLC as Accounting Advisors to the Official Committee of Unsecured Creditors. The following names were compared to MFC's client database and certain records in Mesirow Financial's client database to identify any connection or relationship:

### ***Officers and Directors (2009 to Present) (includes non-executive officers and general managers of subsidiaries)***

Adorjan, J. Joe  
Bean, Joseph W.  
Bennett, Robert W.  
Brandt, Philip A.  
Brown, B. R.  
Day, Michael D.  
Ebetino, Charles A.  
Engelhardt, Irl F.  
Hartsog, Kent E.  
Hatfield, Bennett K.  
Hudson, Terry G.  
Johnson, Michael P.  
Jones, Jacquelyn A.  
Jones, John R.  
Longoria, Janeice M.  
Lucha, Dale F.  
Lushefski, John E.  
Magro, James N.  
Mead, Robert L.  
Millburg, Lawrence J.  
Scharf, Michael M.  
Schnapp, Paul A.  
Schroeder, Mark N.  
Viets, Robert O.

### ***Affiliations of Directors (Board Memberships, Charitable Organizations, etc.)***

Adven Capital  
Bates Sales Company  
Beaucoup Farms LLC  
Buffalo Wild Wings, Inc.  
CenterPoint Energy, Inc.  
Delta Trust & Bank  
Engelhardt Family Foundation  
Foundation for Pinckneyville, Illinois  
Freedom Group, Inc.  
Friends of KWMU  
Galveston Bay Foundation  
Greater Houston Partnership

Gulf Coast Health Services Steering Committee  
Healthcare Service Corporation  
Heritage Society  
The Hungary-Missouri Educational Partnership  
Illinois Rural Heritage Museum  
J&A Group  
MD Anderson Services Corporation  
Ogden, Gibson, Broocks, Longoria & Hall L.L.P.  
Oklahoma Conference for Community & Justice  
Phillips Theological Seminary  
Port of Houston Authority  
QuikTrip Corporation  
Ranken Technical College  
Remington Arms Company, Inc.  
Renewable Energy Group, Inc.  
The Rumson Country Day School  
RLI Corp.  
Saint Louis University  
Texas Medical Center  
Tiger Woods Foundation  
UTIMCO  
White Walnut Farms LLC

### ***Debtor***

Patriot Coal Corporation

### ***Subsidiaries***

Affinity Mining Company  
Apogee Coal Company, LLC  
Appalachia Mine Services, LLC  
Beaver Dam Coal Company, LLC  
Big Eagle LLC  
Big Eagle Rail, LLC  
Black Stallion Coal Company, LLC  
Black Walnut Coal Company  
Bluegrass Mine Services, LLC  
Brook Trout Coal, LLC  
Catenary Coal Company, LLC  
Central States Coal Reserves of Kentucky, LLC  
Charles Coal Company, LLC  
Cleaton Coal Company  
Coal Clean LLC  
Coal Properties, LLC

Coal Reserve Holding Limited Liability Company  
No. 2  
Colony Bay Coal Company  
Cook Mountain Coal Company, LLC  
Corydon Resources LLC  
Coventry Mining Services, LLC  
Coyote Coal Company LLC  
Cub Branch Coal Company LLC  
Dakota LLC  
Day LLC  
Dixon Mining Company, LLC  
Dodge Hill Holding JV, LLC  
Dodge Hill Mining Company, LLC  
Dodge Hill of Kentucky, LLC  
EACC Camps, Inc.  
Eastern Associated Coal, LLC  
Eastern Coal Company, LLC  
Eastern Royalty, LLC  
Emerald Processing, L.L.C.  
Gateway Eagle Coal Company, LLC  
Grand Eagle Mining, LLC  
Heritage Coal Company LLC  
Highland Mining Company, LLC  
Hillside Mining Company  
Hobet Mining, LLC  
Indian Hill Company LLC  
Infinity Coal Sales, LLC  
Interior Holdings, LLC  
IO Coal LLC  
Jarrell's Branch Coal Company  
Jupiter Holdings LLC  
Kanawha Eagle Coal, LLC  
Kanawha River Ventures I, LLC  
Kanawha River Ventures II, LLC  
Kanawha River Ventures III, LLC  
KE Ventures, LLC  
Little Creek LLC  
Logan Fork Coal Company  
Magnum Coal Company LLC  
Magnum Coal Sales LLC  
Martinka Coal Company, LLC  
Midland Trail Energy LLC  
Midwest Coal Resources II, LLC  
Mountain View Coal Company, LLC  
Newtown Energy, Inc.  
New Trout Coal Holdings II, LLC  
North Page Coal Corp.  
Ohio County Coal Company, LLC  
Panther LLC  
Patriot Beaver Dam Holdings, LLC  
Patriot Coal Company, L.P.  
Patriot Coal Receivables (SPV), Ltd.  
Patriot Coal Sales LLC  
Patriot Coal Services LLC  
Patriot Leasing Company LLC  
Patriot Midwest Holdings, LLC

Patriot Reserve Holdings, LLC  
Patriot Trading LLC  
Patriot Ventures LLC  
PCX Enterprises, Inc.  
Pine Ridge Coal Company, LLC  
Pond Creek Land Resources, LLC  
Pond Fork Processing LLC  
Remington Holdings LLC  
Remington II LLC  
Remington LLC  
Rhino Eastern LLC  
Rivers Edge Mining, Inc.  
Robin Land Company, LLC  
Sentry Mining, LLC  
Snowberry Land Company  
Speed Mining LLC  
Squaw Creek Coal Company  
Sterling Smokeless Coal Company, LLC  
TC Sales Company, LLC  
Tecumseh Coal Corporation  
The Presidents Energy Company LLC  
Thunderhill Coal LLC  
Trout Coal Holdings, LLC  
Union County Coal Co., LLC  
Viper LLC  
Weatherby Processing LLC  
White Stallion Coal, LLC  
Wildcat, LLC  
Wildcat Energy LLC  
Will Scarlet Properties LLC  
Winchester LLC  
Winifrede Dock Limited Liability Company  
WWMV, LLC  
Yankeetown Dock, LLC

***Five Percent and Greater Shareholders  
and Beneficial Owners (as of March 15,  
2012)***

BlackRock, Inc.  
State Street Corporation  
The Vanguard Group, Inc.

***Significant Business Partners***

American Patriot Mining, LLC  
RWMV, LLC  
Rhino Energy WV LLC

See Significant Suppliers, Shippers, Warehousemen,  
Customers and Vendors for list of agents.

***Attorneys, Professionals and Financial Advisors (Including Accountants and Investment Banks)***

Allen Guthrie & Thomas  
AlixPartners  
Arnold & Porter, LLP  
American Stock Transfer & Trust Company, LLC  
AST Fund Solutions, LLC  
Banc of America Securities LLC  
Bank of America Corporation  
Barclays Capital Inc.  
Boehl, Stopher & Graves  
Bowen Engineering Corp.  
Bowles Rice McDavid Graff & Love LLP  
Broadridge Financial Solutions, Inc.  
Buchanan, Ingersoll & Rooney  
Bryan Cave, LLP  
CH2M Hill Engineers  
Citibank, National Association  
Citigroup CIB  
Citigroup Global Markets, Inc.  
Computershare  
Davis Polk & Wardwell LLP  
Depository Trust and Clearing Corporation  
Dinsmore & Shohl LLP  
Duff & Phelps Corporation  
Ernst & Young LLP  
Equity Methods  
FBR Capital Markets & Co.  
Ferreri & Fogle  
Fifth Third Securities, Inc.  
Flaherty, Sensabaugh & Bonasso  
GCG Inc.  
Georgeson Inc.  
Gordon Law Offices, PSC  
Greenberg & Traurig  
Greensfelder, Hemker & Gale, P.C.  
Husch Blackwell  
IBM  
Jackson Kelly PLLC  
Kohn, Shands, Elbert, Gianoulakis & Giljum, LLP  
KPMG LLP  
Lewis Glasser Casey & Rollins, PLLC  
Mercer  
Merrill Lynch  
Milliman  
Morris, Nichols, Arsht & Tunnell LLP  
Natixis Securities Americas LLC  
Neal, Gerber & Eisenberg LLP  
Ogletree Deakins  
Oliver Wyman  
PNC Capital Markets, LLC  
Protiviti  
Robinson & McElwee, PLLC

RR Donnelly  
Sandberg Phoenix & Von Gontard P.C.  
Santander Investment Securities, Inc.  
SG Americas Securities, LLC  
Shuman, McCuskey & Slicer, PLLC  
Smith Moore Leatherwood LLP  
SNR Denton  
Sorling, Northrup, Hanna, Cullen & Cochran, Ltd.  
Steptoe & Johnson, PLLC  
Summit Strategies Group  
The Blackstone Group LP  
Thompson Coburn  
Towers Watson  
UBS Investment Bank  
Veritas Consulting/Richard Verheij  
WebFilings  
White & Risse  
Wilmington Trust Company  
Zenon Environmental Corp d/b/a GE Water  
Ziemer, Stayman, Weitzel & Shoulders, LLP

***Significant Financial Institutions (Including Administrative Agents, Lenders and Equipment Financing)***

Bank of America, N.A.  
Bank of Oklahoma, N.A.  
Barclays Bank PLC  
Caterpillar Financial Services Corp.  
Citigroup Global Markets Inc.  
Citicorp North America, Inc.  
Comerica  
Fifth Third Bank  
M&I Bank (Southwest Bank of St Louis)  
Natixis, New York Branch  
PNC Bank  
Raymond James Bank  
RZB Bank  
Societe Generale (SocGen)  
Sovereign Bank  
The Private Bank  
UBS  
United Overseas Bank

***Significant Equipment Lessors***

AmerCable Incorporated  
BancorpSouth Equipment Finance  
Bank of America Leasing  
Bank of the West  
Black Equipment Co, Inc.  
BMO Harris Equipment Finance  
California First National Bank  
Capitalsource Bank  
Caterpillar Financial Services Corporation  
Cecil I. Walker Machinery Co.

CitiCapital Commercial Leasing Corporation  
DBT America Inc.  
The Fifth Third Leasing Company  
First National Capital Corp.  
Fifth Third Bank  
First Utah Bank  
Flagstar Bank, FSBGelco Corporation DBA GE Fleet  
Services  
General Electric Capital Corporation  
Gibbs Technology Leasing  
Hawthorn Bank  
The Huntington National Bank  
ICON Investments  
ICON Magnum, LLC  
Joy Technologies Inc.  
Key Equipment Finance Inc.  
Komatsu Financial Limited Partnership  
Macquarie Corporate and Asset Funding, Inc.  
Mazuma Capital Corp  
Merrill Lynch Capital  
Mitel Leasing, Inc.  
Motion Industries, Inc.  
Nations Fund I, Inc.  
PEC Equipment Company, LLC (Peabody)  
People's Capital and Leasing Corp.  
Prime Alliance Bank  
RBS Asset Finance, Inc.  
Relco Finance, Inc.  
Renaissance Capital Alliance  
Republic Bank, Inc.  
Rish Equipment Company  
Ritchie Bros. Auctioneers (America) Inc.  
Rudd Equipment Company  
SG Equipment Finance USA Corp  
Siemens Financial Services, Inc.  
Somerset Capital Group, LTD  
United Leasing, Inc.  
Wire Rope Industries Ltd.

***Significant Landlords and Lessors***

ACIN  
Alcoa Fuels, Inc.  
Alderson Heirs  
Allegheny Land  
Ark Land KH  
Berwind Land Company  
BGK –Integrated TIC Management, LLC  
Black King  
Blue Eagle  
Boone East  
Boone East Development  
CC Dickinson Testamentary Trust  
Central WV Energy  
Chesapeake Mining  
Cole & Crane

Courtney Co.  
David Olliver, Agent  
Donald Greenwell  
Duke Realty  
Elk Run  
Federal Coal  
Gerald Greenwell  
Greenbrier Land Co.  
Hoover  
Hoover LaFollette  
Horse Creek Coal Land Co.  
Horse Creek Land and Mining  
Imperial Coal Company  
Jackson Vinson  
James M. Greenwell  
Johnny Royster  
Kay-Ford-JamesLawson Heirs  
Lewis Heirs  
Little Coal Land Co.  
LRPB  
LRPB KE  
Mariam Peak  
Midwest Coal Reserves of Ky., LLC  
Miller-Gilman  
Mohler Lumber  
Mounts & Dannheiser, LLC  
Pardee  
Payne Gallatin  
Penn Virginia f/k/a Penn Virginia Operating Co.,  
LLC  
Pocahontas Land  
Potter Family, LLC  
Potter Grandchildren, LLC  
Quincy Center  
Rowland Land  
Shepard Boone  
William H. Shields  
Shonk  
So. Appalachian  
Southern Dickinson  
Southern Land Co.  
SRIR (Pocahontas Land)  
Tennessee Valley Authority  
Tommy Long  
Ward Heirs  
Westvarendrag  
WPP LLC

***Unions***

United Mine Workers of America  
Bituminous Coal Operators' Association

***Bondholders***

Cetus

Pinebridge  
Northwestern Mutual  
Nuveen  
Third Point  
Smith Barney  
Claren Road  
Goldman Sachs

***Letter of Credit and Surety Bond Providers  
and Beneficiaries***

Department of Labor  
Peabody Energy Corp.

Surety Issuers

ACE American Insurance Company  
American Casualty Company of Reading,  
Pennsylvania  
Aspen American Insurance Company  
Aspen Specialty Insurance Company  
Argonaut Insurance Company  
Chubb Group of Insurance Companies  
Chubb Surety  
CNA Surety  
Continental Casualty Company  
Bond Safeguard  
Federal Insurance Company  
Firemen's Insurance Company of Newark, New  
Jersey  
HCC Surety Group  
Indemnity Insurance Company of North America  
Indemnity National Insurance Company  
Insurance Company of North America  
Lexon  
Liberty  
National Fire Insurance Company of Hartford  
Pacific Employers Insurance Company  
Rockwood  
St. Paul/Seaboard  
St. Paul Fire & Marine  
Surety Bonding Company of America  
The Continental Insurance Company  
Travelers Casualty and Surety Company of America  
US Specialty  
Universal Surety Company of America  
Westchester Fire Insurance Company  
Western Surety Company

Surety Obligees

Henderson County, Kentucky  
Illinois Department of Mines and Minerals  
Indiana State Agency  
Kentucky Dept. for Natural Resources: Division of  
Mine Reclamation & Enforcement  
Kentucky State Agency  
Missouri State Agency

Ohio Department of Natural Resources; Reclamation  
Division  
West Virginia Department of Natural Resources  
West Virginia, Department of Transportation  
West Virginia Division of Environmental Protection  
West Virginia State Agency  
WV Hwy

Letters of Credit Providers

Bank of America  
Fifth Third Bank  
PNC

Letters of Credit Beneficiaries

Arch Coal, Inc.  
Argonaut Insurance Co  
Bond Safeguard/LEXON  
CAT Financial Svcs  
Clerk of Ct, US Dist Ct for WV  
Commonwealth of KY  
Commonwealth of PA  
Federal Ins Co/CHUBB  
First Surety Corp  
ILL Workers Comp  
Indemnity Natl Ins Co  
Ins Commissioner of WV  
Kenergy Corp  
National Fire Insurance  
National Union Fire Ins  
Norfolk Southern  
Old Republic Insurance  
Travelers Casualty  
UMWA 1992 Benefit Plan  
US Surety Co  
Western Surety C.N.A.

***Significant Taxing Authorities***

Internal Revenue Service  
Boone County, WV  
Clay County, WV  
Commonwealth of Kentucky  
Henderson County, KY  
Lincoln County, WV  
Logan County, WV  
Kanawha County, WV  
Monongalia County, WV  
State of Illinois  
State of Indiana  
State of Missouri  
State of Pennsylvania  
State of West Virginia  
Union County, KY

***Regulatory Agencies (e.g., Department of Interior, Mine Safety Administration, OSHA, and State and Local Regulators)***

Environmental Protection Agency  
Illinois Department of Natural Resources  
Illinois Environmental Protection Agency  
Illinois Pollution Control Board  
Kentucky Department for Environmental Protection  
Kentucky Department for Natural Resources  
Kentucky Office of Mine Safety and Licensing  
Mine Safety and Health Administration  
Occupational Safety and Health Administration  
Office of Surface Mining Reclamation and Enforcement  
Ohio Department of Natural Resources  
Pennsylvania Department of Environmental Protection  
U.S. Army Corps of Engineers  
U.S. Bureau of Alcohol, Tobacco, and Firearms  
U.S. Bureau of Land Management  
U.S. Department of Interior  
U.S. Department of Labor  
West Virginia Department of Environmental Protection  
West Virginia Office of Miners' Health Safety & Training

***Parties to Significant Litigation***

Bridgehouse Capital Limited  
Bridgehouse Commodities Trading Limited  
Environmental Protection Agency  
Keystone Industries, LLC  
Sierra Club  
Sentrum Holdings Limited  
State of Illinois; Illinois Attorney General's Office  
State of West Virginia  
Ohio Valley Environmental Coalition, Inc.  
U.S. Attorney's Office  
West Virginia Department of Environmental Protection  
West Virginia Highlands Conservancy, Inc.

***Significant Suppliers, Shippers, Warehousemen, Customers and Vendors***

Alpha Coal Sales Co. LLC  
American Electric Power Co., Inc  
Anders Williams Resources, Inc.  
Appalachian Power Co.  
Bayer CropScience LP  
Big Rivers Electric Corp.  
Blue Cross Blue Shield

Bridgehouse Commodities Trading Limited  
Brody Mining, LLC  
Carbofer Representacoes Ltda.  
Cardinal Operating Company  
Caremark  
Caterpillar Global Mining America  
Cecil I. Walker Machinery Co.  
Clay's Trucking  
Coal Network Inc.  
Constellation Energy Commodities  
CSX Transportation, Inc.  
Dan River Resources LLC  
Dekoven Dock, Incorporated  
Drummond Coal Sales, Inc.  
DTE Energy Company  
Duke Energy Carolinas LLC  
Duke Energy Commercial Asset Management  
Duke Energy Kentucky, Inc.  
E. On Ag  
Eagle Valley, Inc.  
East Kentucky Power Cooperative  
Eastman Kodak Co.  
EDF Trading North America, LLC/EDF Trading Limited  
Emerald International  
GenOn Energy Management, LLC  
Gerdau Acominas S.A.  
Gulf Power Company  
Home Oil & Gas  
Hunter Trucking  
IBM  
ILVA Spa  
Jennmar Corporation  
JMAC Leasing Inc.  
Joy Mining Machinery  
Kanawha River Terminals, LLC  
Kentucky Utilities Co.  
Keystone Industries  
Komsa Sarl  
Long Branch Energy  
Louisville Gas and Electric Comp  
Magnum Coal Co.  
Mercuria Energy Trading, Inc.  
Middletown Coke Company, LLC  
Mirant Energy Trading, LLC  
Monk Mining  
  
Mountain State Carbon, LLC  
Neville Island Fuels Company, LLC  
Nelson Brothers LLC  
Norfolk Southern Railway Company  
Owensboro Municipal Utilities  
Peabody COALTRADE, LLC  
Peabody Energy Corp.  
Peabody Terminals, LLC  
Penn Virginia Resource Partners, L.P.

Petroleum Products Inc.  
Phillips Machine Service Inc.  
PPL EnergyPlus, LLC  
PPL Generation, LLC  
PowerSouth Energy Cooperative  
Production Adjustment  
Progress Energy Carolinas, Inc.  
Raleigh Mine & Industrial Supply  
Reiss Viking Division  
Relco Finance, Inc.  
Rish Equipment  
River Trading Company  
RWE Trading Americas Inc.  
Sandvik Mining and Construction  
Selah Corp.  
Shenango Inc.  
Shinewarm Resources (HK) Group Limited  
Southern Company  
SunCoke Energy  
Tata Steel UK Limited  
ThyssenKrupp CSA Siderurgica  
Trafigura AG  
United Central Industrial Supply  
USIMINAS  
U.S. Steel Corp.  
The Vanguard Group  
Vanomet International AG  
Veyance Industrial Services  
Vitol, Inc.  
Webster Trucking  
White River Coal Sales, Inc.  
Xcoal Energy & Resources  
Zug Island Fuels, LLC

See also Significant Landlords and Lessors,  
Significant Attorneys, Professionals and Financial  
Advisors and Significant Equipment Lessors

### ***Insurers***

#### Brokers

Aon Risk  
Marsh USA  
Willis of Tennessee

#### Underwriters

ACE  
AIG  
Allied World Assurance Company  
Allied World National Assurance Company  
Arch Specialty  
Argo QS  
ARISE Inc.  
Aspen Bermuda Ltd  
Aspen Specialty Insurance Company  
Aspen Insurance UK Limited

Axis Insurance (Bermuda) Ltd  
Axis Insurance Company  
Axis Surplus Insurance Company  
Berkley  
Chartis  
Chubb  
CNA  
Endurance American Insurance Company  
Hartford  
Hiscox  
Ironshore  
Iron-Starr  
HCC  
Liberty International Underwriters  
Liberty Mutual Insurance Europe Limited  
MJB Consulting  
RSUI  
XL  
XL UK  
XL Specialty  
Zurich

### ***United States Trustee's Office***

Office of the United States Trustee for the Districts of  
New York, Connecticut & Vermont

Abriano, Victor  
Brooks, Catletha  
Catapano, Maria  
Choy, Danny A.  
Crowder, Stephanie B.  
Davis, Tracy Hope  
Driscoll, Michael  
Dub, Elizabeth C.  
Felton, Marilyn  
Fields, Myrna R.  
Gasparini, Elisabetta  
Golden, Susan  
Khodorovsky, Nazar  
Martin, Marylou  
Martinez, Anna M.  
Masumoto, Brian S.  
Mendoza, Ercilia A.  
Moroney, Mary V.  
Morrissey, Richard C.  
Nadkarni, Joseph  
Nakano, Serene  
Nguyen, Savitri  
Porter, Carol A.  
Riffkin, Linda A.  
Schwartz, Andrea B.  
Schwartzberg, Paul K.  
Segreto, John  
Sharp, Sylvester  
Velez-Rivera, Andy  
Weston, Jennifer L.

Zipes, Greg M.

***Top Five Secured Creditors***

BancorpSouth Equipment Finance  
Bank of America  
Bank of America Leasing  
Bank of the West  
BMO Harris Equipment Finance Company  
Caterpillar Financial Services Corp.  
Fifth Third Bank  
Fifth Third Leasing Company  
General Electric Capital Corp.  
Key Equipment Finance Inc.  
Komatsu Financial Limited Partnership.  
People's Capital & Leasing Corp.  
SG Equipment Finance  
Siemens Financial Services  
Somerset Capital Group, Ltd.  
United Leasing, Inc.

***Top 50 Unsecured Creditors***

AFCO  
Allegheny Power  
Alley Trucking LLC  
Alpha Natural Resources, Inc.  
Americable Incorporated  
American Electric Power  
American Freedom Innovations LLC  
Bank of the West  
Bentley Badgett II and Linda Badgett  
CapitalSource Bank  
Caterpillar Global Mining  
Cecil I. Walker Machinery Co.  
Chisler Brothers Contracting LLC  
Chisler Inc.  
Coalfield Services Inc.  
Cogar Manufacturing Inc.  
CSX Transportation Inc.  
Dayton Power & Light  
Environmine Inc  
Fifth Third Leasing Company  
Flomin Coal Inc.  
GE Capital TMS  
I.B.M. Corp.  
Industrial Supply Solutions Inc.  
J. H. Fletcher & Co.  
Jabo Supply Corp  
Jennmar Corporation  
JMAC Leasing Inc  
Joy Mining Machinery  
Komatsu Financial Limited Partnership  
Logan Corp.  
Longwall Associates, Inc.  
Mine Equipment & Mill Supply Co.

Monk Mining Supply, Inc.  
Nelson Brothers LLC  
Penn Virginia Operating Co LLC  
Phillips 66 Receivable  
Powell Construction Co., Inc.  
Raleigh Mine & Industrial  
RBS Asset Finance, Inc.  
Richard Whiting  
Rish Equipment Co.  
SGS North America Inc.  
Shonk Land Company LLC  
Somerset Capital Group, Ltd.  
Suncrest Resources LC  
United Central Industrial Supply  
United Leasing, Inc.  
U.S. Bank National Association  
Wilmington Trust Company

***Utilities***

Allegheny Power  
American Electric Power  
Aquis Communications  
AT&T  
AT&T Mobility  
AT&T Teleconference Services  
Buffalo Creek PSD  
City of Morganfield  
City of Uniontown  
Citynet, LLC  
Clay-Battelle Public Service District  
Dish Network  
Dominion Hope  
Eldon Gas Company  
Fiberlink Communications Corp.  
Frontier  
Henderson County Water District  
Huntington Technology Group Inc.  
Kanawha Public Service District  
Kenergy Corp.  
Kentucky Utilities Co  
Lumos Networks Inc  
Monongahela Power Company  
Mountaineer Gas  
Ohio Valley Answering Service  
Q Wireless LLC  
Rea Energy Cooperative Inc  
Republic Services  
SouthEastern Illinois Electric  
Suddenlink  
Tangoe Inc  
Telemax Services  
Time Warner Cable  
Union County Water District  
US Cellular  
Valley Falls Public Service Dist

Verizon  
Verizon North  
Waste Management of WV, Inc.  
West Penn Power Company  
West Side Telecommunications  
West Virginia American Water Co  
Windstream

***Notice of Appearance Parties***

GE Energy and GE International  
United States Steel Corporation  
Hanson Aggregates Davon, LLC  
Dickinson Properties Limited Partnership  
Quincy Coal Company  
Branch Banking & Trust Company  
Union Pacific Railroad Company  
Banc of America Leasing & Capital, LLC  
Continental Crushing & Conveying, Inc.  
UMWA 1993 Benefit Plan & Trust  
UMWA Combined Benefit Fund  
Icon Capital Corp.  
Wayne Supply Company  
Westchester Surplus Lines Insurance Company  
Illinois Union Insurance Company  
Hope Gas, Inc., d/b/a Dominion Hope  
Bridgestone Americas Tire Operations, LLC

Patricia Willits, William G. Parrott, Jr., and the PPW  
Royalty Trust  
SITEX Corporation  
Environmental Resources Management Consulting  
Company, LLC  
Security America, Inc.  
Kanawha Scales & Systems, Inc.

***Professionals Representing Any of the  
Foregoing in Relation to Patriot***

Cleary, Gottlieb, Steen & Hamilton LLP  
Latham & Watkins LLP  
Ogletree, Deakins, Nash, Smoak & Stewart, P.C.  
Weil, Gotshal & Manges

***Creditors' Committee Members***

Wilmington Trust Company  
U.S. National Bank Association, N.A.  
United Mine Workers of America  
UMWA 1974 Pension Plan and Trust  
Gulf Coast Capital Partners, LLC  
Cecil Walker Machinery  
American Electric Power

## EXHIBIT B

This information is being provided in connection with the Declaration of Monty Kehl in support of the Application for Order Authorizing the Retention and Employment of Mesirow Financial Consulting, LLC as Accounting Advisors to the Official Committee of Unsecured Creditors. MFC or Mesirow Financial have or had business relationships with, currently render or have previously rendered services in matters unrelated to these Chapter 11 Cases for the following entities:

ACE American Insurance Co.	DBT America Inc.	Owensboro Municipal Utilities
AFCO	Dinsmore & Shohl LLP	Pacific Employers Insurance
Alix Partners	Dish Network	Company
American Casualty Company of	Duke Energy Carolinas LLC	Pennsylvania Department of
Reading Pennsylvania	Endurance American Insurance	Environmental Protection
Arch Specialty	Company	Peoples Capital and Leasing Corp.
Argonaut Insurance Company	Environmental Protection Agency	Petroleum Products Inc.
AT&T Teleconference Services	Ernst & Young LLP	Phillips Machine Service Inc.
Axis Insurance Company	Federal Insurance Company	PNC Bank
Axis Surplus Insurance Company	Fifth Third Bank	Progress Energy Carolinas Inc.
Banc of America Leasing & Capital,	Flagstar Bank	Protiviti
LLC	Frontier	RBS Asset Finance Inc.
Banc of America Securities LLC	General Electric Capital Corp.	Renaissance Capital Alliance
Bank of America	Gulf Power Company	Republic Services
Bank of America Leasing	Hartford	Robinson & McElwee Pllc
Bank of America NA	HCC Surety Group	Rudd Equipment Company
Bank of the West	Husch Blackwell	Siemens Financial Services Inc.
Barclays Bank PLC	IBM Corp.	SNR Denton
Bayer Cropscience LP	Illinois Environmental Protection	Somerset Capital Group Ltd
Blackstone Group LP	Agency	Southern Company
Boehl Stopher & Graves	Internal Revenue Service	Sovereign Bank
Bryan Cave LLP	Joy Technologies Inc.	State of Illinois
Buchanon Ingersoll & Rooney	Key Equipment Finance Inc.	State of Indiana
Caremark	KPMG LLP	Steptoe & Johnson PLLC
Caterpillar Financial Services	Kramer Levin Naftalis & Frankel	Tennessee Valley Authority
Corporation	LLP	The Continental Insurance Company
Chartis	Latham & Watkins LLP	The Huntington National Bank
Chubb	Marsh USA	Time Warner Cable
Chubb Group of Insurance	Mercer	Towers Watson
Companies	Merrill Lynch	UBS
Citicapital Commercial Leasing Corp.	Merrill Lynch Capital	U.S. Bank National Association
Citicorp North America, Inc.	Milliman Inc.	U.S. Cellular
Citigroup Global Markets Inc.	Morris Nichols Arsht& Tunnell LLP	U.S. Department of Labor
Clearly Gottlieb Steen & Hamilton	Motion Industries Inc.	Verizon
LLP	National Fire Insurance Company of	Verizon North
CNA	Hartford	Weil Gotshal & Manges
CNA Surety	Natixis New York Branch	Western Surety Company
Comerica	Norfolk Southern	Windstream
Computershare	Ogletree Deakins Nash Smoak &	XL
Continental Casualty Company	Old Republic Insurance	Zurich
CSX Transportation	Stewart PC	
Davis Polk & Wardwell LLP	Oliver Wyman	

**EXHIBIT 2**

**ALLOCATION OF COORDINATING RESPONSIBILITIES OF  
COMMITTEE FINANCIAL ADVISOR AND ACCOUNTING ADVISOR**

**IN RE PATRIOT COAL CORPORATION, ET AL.  
CASE NO. 12-12900 (SCC)**

**COORDINATION OF RESPONSIBILITIES FOR FINANCIAL ADVISOR AND ACCOUNTING ADVISOR**

*With respect to the projects listed below, where appropriate the parties may coordinate with each other while avoiding duplication of efforts.*

<p align="center"><b><u>HOULIHAN LOKEY</u></b> <b>(FINANCIAL ADVISOR)</b></p>	<p align="center"><b><u>MESIROW FINANCIAL CONSULTING</u></b> <b>(ACCOUNTING ADVISOR)</b></p>
<ul style="list-style-type: none"> <li>• Analysis of DIP financing, including historical analysis of negotiations resulting in proposed DIP facility and other options</li> <li>• Monitor and analyze liquidity/cash flow including variances and near-term cash forecast</li> <li>• Analysis of intercompany transactions and payables/receivables, including non-debtor subsidiaries and affiliates</li> <li>• Analysis of first and second day motions</li> <li>• Business plan and operations analysis, including development of improvements</li> <li>• Strategic alternatives/restructuring alternatives</li> <li>• Analysis and review of SEC filings, MORs, other financial reports, SOFAs and schedules (other than intercompany transactions)</li> <li>• Capital structure/debt capacity</li> <li>• Valuation analysis and testimony, including solvency analyses and accompanying valuation in connection with plan, exit strategy, avoidance actions and “NOL preservation” orders</li> <li>• Collateral analysis and review/Committee lien investigation</li> <li>• Section 1113/1114 overall strategic analysis</li> <li>• Executory contracts analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis and assistance on potential causes of action (the “<u>Causes of Action</u>”), including potential preferences and fraudulent conveyances, specifically investigation of transactions with Peabody, Arch, ArcLite and specific valuation analyses related thereto</li> <li>• Other Post-Employment Benefits//Pension/Labor Analysis – pension and benefit plan funding status and actuarial analysis of contributions and claims</li> <li>• Provide litigation support services, which may include but are not limited to assisting with discovery, advising on damages and providing expert testimony , in connection with the Causes of Action or other litigation support requested by the Committee</li> <li>• Tax analyses</li> <li>• Management assessment, analysis of any proposed annual incentive bonus program/KEIP</li> <li>• Analysis of intercompany claims and transactions, including as set forth on the Debtors’ Schedules/SOFA</li> </ul>

**EXHIBIT 3**

**PROPOSED ORDER**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

----- X  
In re: : Chapter 11  
: :  
PATRIOT COAL CORPORATION, *et al.*, : Case No. 12-12900 (SCC)  
: :  
: :  
Debtors. : Jointly Administered  
----- X

**ORDER UNDER SECTION 1103 OF THE BANKRUPTCY CODE  
AUTHORIZING THE EMPLOYMENT AND RETENTION  
OF MESIROW FINANCIAL CONSULTING, LLC  
AS ACCOUNTING ADVISORS TO THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS, NUNC PRO TUNC TO JULY 24, 2012**

**Related Docket No. \_\_**

Upon the application (the “**Application**”) of the Official Committee of Unsecured Creditors (the “**Committee**”) appointed in the Chapter 11 Cases of the above-captioned debtors and debtors-in-possession herein (the “**Debtors**”), for entry of an order, pursuant to sections 1103(a) and 1103(b) of Title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 2014-1 and 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Bankruptcy Rules**”), authorizing the retention and employment of Mesirow Financial Consulting, LLC (“**MFC**”) as accounting advisors to the Committee *nunc pro tunc* to July 24, 2012; and upon the Declaration of Monty Kehl in Support of the Application (the “**Kehl Declaration**”); and having heard the statements of counsel in support of the relief requested therein and at the hearing thereon (the “**Hearing**”); and the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. §157(b)(2), (c) MFC does not hold or represent any adverse interest in connection with these Chapter 11 Cases, (d) MFC is a “disinterested person” and has no adverse

interest in connection with these Chapter 11 Cases as contemplated by the Bankruptcy Code, and (e) such retention is necessary and in the best interests of the Committee; and the Court finding that notice of the Application given by the Committee was sufficient under the circumstances and that no other or further notice is necessary; and the Court having determined that the legal and factual bases set forth in the Application, the Kehl Declaration and at the Hearing on the Application establish just cause for the relief herein granted, and after due deliberation and sufficient cause appearing therefore,

**IT IS HEREBY ORDERED THAT:**

1. The Application is granted to the extent provided herein.

2. The Committee is authorized, pursuant to sections 1103(a) and 1103(b) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, Local Bankruptcy Rules 2014-1 and 2016-1, to employ and retain MFC as its accounting advisors, in accordance with the Application, nunc pro tunc to July 24, 2012, to perform the services set forth in the Application and the Kehl Declaration and listed below:

- a. Assist the Committee in analyzing potential causes of action (the "Causes of Action"), including potential preferences and fraudulent conveyances, specifically, including the investigation of transactions with Peabody, Arch, and ArcLite;
- b. Analyze any proposed annual incentive bonus program/KEIP;
- c. Financial support and analysis of OPEB/Pension/Labor obligations, including funding status and financial analysis;
- d. Provide tax analyses;
- e. Provide litigation support services, which may include but are not limited to assisting with discovery, advising on damages and providing expert testimony, in connection with the Causes of Action or other litigation support requested by the Committee;
- f. Analyze intercompany claims and transactions, including as set forth on the Debtors' Schedules/Statements of Financial Affairs; and

- g. Other such discrete and specific functions as may be requested by the Committee or its counsel to assist the Committee in these Chapter 11 Cases (provided that such services are not duplicative of those being provided by Houlihan Lokey).

3. Should the Committee prior to confirmation of a chapter 11 plan(s) seek to expand the role of MFC beyond the matters listed above, MFC 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. The timeliness of a disclosure as set forth in this paragraph will be based on the facts and circumstances of each particular matter, including whether the disclosure would reveal privileged information or strategy of the Committee, or otherwise hinder or compromise the Committee's position or ability to discharge its duties and responsibilities in these Chapter 11 Cases. Timeliness shall be as soon as is reasonably practicable under the circumstances.

4. MFC currently does not contemplate utilizing independent contractors or sub-contractors in performing its role in these Chapter 11 Cases. To the extent that the circumstances change to warrant the use of sub-contractors or independent contractors, MFC will file a supplemental notice, as soon as reasonably practicable without disclosing any privileged or otherwise confidential information or strategy, indicating such use and the nature of the services utilizing the same disclosure procedure as set for in paragraph 3 above.

5. MFC 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 sections 330 and 331 of the Bankruptcy Code and the Bankruptcy Rules, the Local Rules, the Order Establishing Procedures for Monthly

Compensation and Reimbursement of Expenses of Professionals, dated August 2, 2012 [Docket No. 262], the Standing Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals [M-412] (Dec. 21, 2010), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases [M-389] (Nov. 25, 2009), and the U.S. Trustee Guidelines (collectively, the “**Fee Guidelines**”), and any other applicable order of this Court.

6. MFC shall not bill the Debtors for staff or paraprofessionals performing clerical or administrative services.

7. No less than ten (10) business days prior to effecting any increases in the rates set forth in paragraph 12 of the Application and paragraph 20 of the Kehl Declaration, MFC shall file a supplemental affidavit with the Court and provide notices to the Debtors, the United States Trustee and counsel for the 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. The United States Trustee retains all rights to object to any rate increases on all grounds including, but not limited to, the reasonableness standard provided for in section 330 of the Bankruptcy Code, and the Court retains the right to review any rate increase pursuant to section 330 of the Bankruptcy Code.

8. The Debtors and their estates shall indemnify, defend and hold harmless MFC, its officers, directors, shareholders, principals, members, managers, employees, affiliates, representatives and agents (collectively, the “MFC Indemnified Parties”) from and against any and all losses, claims, damages, liabilities, penalties, obligations and expenses, including, without limitation, the costs and expenses of counsel, incurred by or asserted against the MFC

Indemnified Parties in connection with or in any way related to MFC's engagement as accounting advisors to the Committee.

9. Notwithstanding anything to the contrary in the Kehl Declaration, the indemnification provisions are subject to the following conditions:

- a. all requests by the MFC Indemnified Parties for indemnification by the Debtors and their estates pursuant to the Kehl Declaration and incorporated herein by reference and in this Order approving this indemnification, shall be made by means of an application filed with the Bankruptcy Court (interim or final as the case may be) and shall be subject to review by the Bankruptcy Court to ensure that payment of such indemnity conforms to the terms of this Order approving this indemnification and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought;
- b. in no event shall the MFC Indemnified Parties be indemnified in the case of their own intentional fraud, bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct;
- c. in no event shall the MFC Indemnified Parties be indemnified if the Committee or a representative of the Committee, asserts a claim for, and a court determines by final order that such claim arose out of, MFC's own intentional fraud, bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct;
- d. in the event that the MFC Indemnified Parties seek reimbursement for attorneys' fees from the Debtors and the estates pursuant to this Order, the invoices and supporting time records from such attorneys shall be included in MFC's own applications (both interim and final) and such invoices and time records shall be subject to the Fee Guidelines and the approval of the Bankruptcy Court under the standards of sections 330 and 331 of the Bankruptcy Code without regard to whether such attorney has been retained under sections 1103(a) and 1103(b) of the Bankruptcy Code and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code; and
- e. MFC shall not be entitled to reimbursement by the Debtors for any fees, disbursements and other charges of MFC's counsel other than those incurred in connection with a request of MFC for payment of indemnity.

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

11. The Committee and MFC are authorized and empowered to take all actions necessary to effectuate the relief granted in and pursuant to this Order in accordance with the Application or Kehl Declaration.

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

13. To the extent the terms of this Order are in any way inconsistent with the Application or the Kehl Declaration, the terms of this Order shall govern.

14. Notwithstanding any provision to the contrary in the Application or Kehl Declaration, the Court shall retain jurisdiction with respect to all matters arising from or related to the interpretation and implementation of this Order.

15. Notice of the Application as provided herein shall be deemed good and sufficient notice of the Application.

Dated: New York, New York  
\_\_\_\_\_, 2012

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HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE