

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION**

**IN RE:** )  
 ) **Chapter 11**  
**CITATION CORPORATION, et al.,<sup>1</sup>** )  
 ) **Case No. \_\_\_\_\_**  
 )  
**Debtors.** )

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**DEBTORS' MOTION FOR ORDER AUTHORIZING RETENTION OF  
PROFESSIONALS UTILIZED BY DEBTORS IN ORDINARY COURSE OF BUSINESS**

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**COME NOW**, Citation Corporation ("Citation"), its holding company, and certain of its direct and indirect subsidiaries (the "Subsidiaries"), as debtors and debtors in possession (collectively, the "Debtors"), and, pursuant to §§ 105(a) and 327 of title 11 of the United States Code, of 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), move this Court (this "Motion") to enter an order authorizing the retention of professionals used by the Debtors in the ordinary course of their businesses. In support of this Motion, Debtors rely on the Affidavit of Charles P. Bloome in Support of Chapter 11 Petitions and First Day Orders, filed contemporaneously herewith, and state as follows:

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<sup>1</sup> In addition to the Citation Corporation, the Debtors include the following entities: (i) Citation Holding Company, (ii) Berlin Foundry Corporation, (iii) Bohn Aluminum, Inc., (iv) Castwell Products, Inc., (v) Citation Precision, Inc., (vi) HI-TECH, Inc., (vii) Iroquois Foundry Corporation, (viii) ISW Texas Corporation, (ix) Mansfield Foundry Corporation, (x) OBI Liquidating Corp., (xi) Texas Steel Corporation, (xii) TSC Texas Corporation, (xiii) Citation Aluminum, LLC, (xiv) Citation Castings, LLC, (xv) Citation Grand Rapids, LLC, (xvi) Citation Lake Zurich, LLC, (xvii) (Citation Michigan, LLC, (xviii) Citation Wisconsin Forging, LLC, (xix) Citation Wisconsin, LLC, (xx) ITM Holding Co., LLC, (xxi) Interstate Southwest, Ltd., (xxii) Texas Foundries Ltd., and (xxiii) MFC Liquidating Company, Ltd.

## **JURISDICTION AND VENUE**

1. On September 18 2004 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Clerk of this Court. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to §§ 1107(a) and 1108. The Debtors have moved this Court for joint administration of these chapter 11 cases.

2. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of the Debtors' chapter 11 cases and this Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are Bankruptcy Code §§ 105(a) and 327.

## **FACTUAL BACKGROUND**

1. Facing its biggest challenges of all -- a sluggish industry and skyrocketing materials costs -- Citation and its affiliated companies have filed for chapter 11 bankruptcy in the U.S. Bankruptcy Court in Birmingham, Alabama. This action was taken to reorganize Citation's businesses into a profitable company that will continue to serve its customers. The Citation companies continue to operate their businesses and manage their properties as debtors in possession in accordance with the Bankruptcy Code.

2. Since its inception in 1974, Citation has forged a name for itself within the metal components industry by focusing on one overriding goal; total customer satisfaction. Citation has done this by acquiring capable leadership, loyal production workers and responsive suppliers.

3. Like every action Citation has taken over the years, chapter 11 was undertaken with customers in mind. The company is confident that a court-guided reorganization will give

Citation the breathing room it needs to improve cash flow and emerge as a profitable company serving its many customers. The Citation companies will continue to use sound management practices to operate their businesses and manage their properties as debtors in possession in accordance with the Bankruptcy Code.

4. Citation is a privately held Delaware corporation headquartered in the Birmingham, Alabama metropolitan area. Through its wholly-owned subsidiaries, Citation designs, develops and manufactures high quality cast, forged, and machined components for the capital and durable goods industries. The products Citation manufactures are made primarily from iron, steel and aluminum materials. Citation's attention to quality, delivery and cost have allowed it to grow its customer base over the years. The company has also grown its business through a series of acquisitions. The Citation companies now own and operate sixteen facilities located in Alabama, Indiana, Wisconsin, Michigan, Illinois, Texas, and North Carolina. The Citation companies employ approximately 5,100 employees, some of whom are unionized.

5. Citation manufactures products for several market segments including the automotive, heavy truck, construction, aerospace, agricultural and commercial industries. Citation produces aluminum and iron castings. Its steel forgings are used in a wide variety of applications including braking, steering, engine and drive train parts for passenger cars and light trucks; suspension and transmission parts for heavy trucks; ground engaging tools for construction equipment; parts for aircraft engines, landing gear and structural airframes; and thousands of other critical parts for capital and durable goods. Citation sells its castings and forgings to customers throughout the United States. Several of its largest customers are very large tier-one suppliers who make, assemble, and supply parts to automobile manufacturers.

6. Through the 1990s, Citation was a publicly traded company. In December 1999, Citation was taken private by an investment firm based in New York. A fund managed by the same firm continues to own virtually all of the shares of Citation's parent corporation.

7. Citation's cash flow challenges are typical of the industry today. All purchasers of steel have been suffering from the onslaught of record steel price increases. In the last 18 months, the price of steel scrap escalated from its traditional price of \$150 per ton to more than \$400 per ton. Other raw materials prices have also suffered dramatic price increases.

8. Ductile products account for half of Citation's sales. Steel scrap is the primary raw material used to make ductile products. Due to the unprecedented and unexpected price escalations for the purchase of steel scrap, Citation has found it difficult to maintain sufficient operating capital. Although some of Citation's customer relationships include provisions for sharing cost increases for steel scrap, Citation's relationships with several of its largest customers have no such provisions. Although Citation continues to work with customers to maintain positive, mutually beneficial relationships, Citation to date has been forced to bear the full burden of the increased price of steel scrap in many of its relationships. Citation's aluminum and other divisions have fared better, largely due to their ability to pass on the raw materials price increases.

9. In addition to the escalating price of steel scrap, Citation -- like numerous U.S. companies that provide employees with healthcare benefits -- has incurred heavy increases in the cost of health care for Citation's employees. This and an increase in the cost of utilities has further hampered Citation's cash flow.

10. Citation has a strong market share of the North American ductile iron parts industry, competing primarily with North American companies only. This is because the weight,

size, and shapes of the materials and product and heavy industry's requirements for just-in-time or staged delivery generally require the ductile iron foundries to be located on the same continent as the customers. Nonetheless, there is foreign competition, primarily from China and India.

11. The entire North American ductile iron parts industry finds itself in the same predicament as Citation. Some companies have recently exited this business altogether while a few competitors are better capitalized. Citation is determined to stay in business, and to continue serving the customers, employees and suppliers who have come to rely on Citation as a partner in success. Citation's management sees chapter 11 as a positive step to better position itself until the price of steel and other raw materials can reach an equilibrium within the industry and the true cost of materials can be passed through to the end user of the product.

12. As already mentioned, one of the most significant costs to Citation has been the unprecedented increase in the price of steel scrap. Combined with Citation's debt load, this has resulted in a shortage of cash flow. For the fiscal year ended September 28, 2003, Citation and its subsidiaries reported net sales of approximately \$640,000,000 and a net loss of approximately \$120,000,000.

13. Citation and its subsidiaries are indebted under a bank debt facility in the approximate amount of \$325,000,000. This indebtedness is secured by a first lien on virtually all of the Debtors' assets. Citation's parent corporation is separately indebted under a different debt facility to a different set of creditors in the approximate amount of \$140,000,000. Citation generally has trade debt of approximately \$60,000,000.

14. Citation is owed receivables from its customers that generally total around \$90,000,000. Citation maintains inventory that has a book value of approximately \$45,000,000.

Citation owns property, plants, and equipment of substantial value. Its greatest assets, however, are Citation's strong customer base and its many loyal employees.

15. As a part of its ongoing strategic review and assessment of their financial condition, Citation has determined to take advantage of its strong market share position, to strengthen the balance sheet, and to operate successfully in today's competitive environment, it must reduce its existing debt burden and increase operating efficiencies. Citation seeks protection under chapter 11 of the Bankruptcy Code to provide the necessary time to stabilize its finances and to develop and to implement a strategic plan to return its business to sustained profitability.

16. Citation filed bankruptcy with four primary goals in mind: (a) to reshape the Debtors' capital structure; (b) to improve cost efficiencies; (c) to maintain product manufacture and delivery; and (d) to negotiate with its key customers to pass on raw materials price increases. During its stay as a debtor-in-possession in chapter 11, Citation will continue to serve its customers by manufacturing high quality products at Citation's many locations throughout the United States. Once these four key goals are sufficiently met by the bankruptcy proceedings, Citation will emerge from this process as a strong, viable, and independent business positioned for increased competitiveness and sustained profitability.

#### **RELIEF REQUESTED**

17. The Debtors customarily retain the services of various attorneys, accountants, tax professionals and other professionals to represent them in matters arising in the ordinary course of their businesses (the "Ordinary Course Professionals"). A list of current Ordinary Course Professionals is attached hereto as Exhibit "A."<sup>2</sup>

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<sup>2</sup> As discussed more fully below, the Debtors reserve the right to amend such list in the future.

18. By this Motion, the Debtors seek authorization (a) to retain the Ordinary Course Professionals under §§ 105(a) and 327 without the necessity of a separate, formal retention application approved by this Court for each Ordinary Course Professional, and (b) to compensate the Ordinary Course Professionals for postpetition services rendered, subject to certain limits set forth below, without the necessity of additional Court approval. In contrast, the Debtors will file individual retention applications for any professionals that the Debtors seek to employ in connection with their chapter 11 cases.

19. The Debtors desire to continue to employ and retain the Ordinary Course Professionals to render services to their estates that are similar to those rendered before the commencement of these chapter 11 cases. Although the automatic stay and other issues in these cases may decrease the Debtors' need for certain Ordinary Course Professionals' services, the Debtors cannot now quantify or qualify that need. Moreover, the number of Ordinary Course Professionals renders it impractical and inefficient for the Debtors and this Court to address the proposed retention of Ordinary Course Professionals on an individual basis.

20. Accordingly, consistent with the dimensions of these cases and the geographic diversity of the Debtors' businesses, the Debtors request that they be permitted to employ and retain the Ordinary Course Professionals on terms substantially similar to those in effect prior to the Petition Date, but subject to the terms described below.

21. The Debtors propose that they be permitted to pay, without formal application to the Court by any Ordinary Course Professional, one-hundred percent (100%) of the interim fees and disbursements to each of the Ordinary Course Professionals upon the submission to the Debtors of an appropriate invoice setting forth in reasonable detail the nature of the services rendered after the Petition Date so long as such interim fees and disbursements do not exceed a

total of \$15,000.00 per month per Ordinary Course Professional, and no more than \$60,000.00 per Ordinary Course Professional for the duration of these chapter 11 cases. However, the total amount of Ordinary Course Professional fees shall not exceed \$1,000,000.00 in the aggregate for the duration of these chapter 11 cases without further order from the Court with due notice.

22. The Debtors propose that, except as detailed in paragraph 21, payments to a particular Ordinary Course Professional would become subject to Court approval pursuant to an application for an allowance of compensation and reimbursement of expenses under §§ 330 and 331 if such payments exceed \$15,000.00 per month, \$60,000.00 for the entire chapter 11 case for that Ordinary Course Professional, or total amount of Ordinary Course Professional fees paid exceeds \$1,000,000.00.

23. By this Motion, the Debtors request that all Ordinary Course Professionals be excused from submitting separate applications for proposed retention. The Debtors recognize, however, the importance of providing the Court and the Office of the Bankruptcy Administrator for the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Administrator") information about each Ordinary Course Professional who is an attorney ("Attorney Professional").

24. The Debtors thus propose that, while they be permitted to continue to employ, retain, and compensate all Ordinary Course Professionals identified on Exhibit "A," each Attorney Professional be required to file with the Court an Affidavit of Attorney Professional<sup>3</sup> within thirty (30) days of the date of service of an order granting this Motion and serve same upon (1) the Office of the Bankruptcy Administrator for the United States Bankruptcy Court for the Northern District of Alabama, Southern Division; (2) counsel to JPMorgan Chase Bank as

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<sup>3</sup> A form of "Affidavit of Attorney Professional" is attached hereto as Exhibit "B."

Administrative Agent for the Debtors' prepetition lenders; (3) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' proposed postpetition lenders; (4) the District Director of the Internal Revenue Service for the Northern District of Alabama; (5) counsel to any committees; (6) the Debtors' twenty (20) largest unsecured creditors (on a consolidated basis) and (7) counsel to the Debtors.

25. The Debtors further request that the parties noticed be given twenty (20) days from the date of service of an Attorney Professional's affidavit to object to the retention of such Attorney Professional (the "Objection Deadline"). Objections, if any, shall be served upon the Ordinary Course Professional, the Bankruptcy Administrator, counsel to the Agent for the prepetition lenders and the proposed postpetition lenders, counsel for any committee, and the undersigned counsel to the Debtors, on or before the Objection Deadline. If any such objection cannot be resolved within twenty (20) days of service, the matter will be scheduled for hearing before the Court for a date mutually agreeable to the relevant Attorney Professional and the dissenter. If no objection is submitted on or before the Objection Deadline, or if any objection submitted is timely resolved as set forth above, the Debtors request that, without further order of the Court, the employment, retention and compensation of the Ordinary Course Professional be deemed approved.

26. The Debtors also request that they be authorized to employ and retain additional Ordinary Course Professionals as necessary, in the ordinary course of their businesses ("Additional Ordinary Course Professionals"), (a) without the need to file individual retention

applications and (b) without the need for any further hearing or notice to any other party, by filing with the Court a supplement (the "Supplement") to Exhibit "A."<sup>4</sup>

27. The Debtors propose that, as with the Ordinary Course Professionals discussed above, the Bankruptcy Administrator, counsel to the Agent for the prepetition lenders and the proposed postpetition lenders, and counsel for any committee be given twenty (20) days after service of each Additional Ordinary Course Professional's affidavit to object to the retention of such Professional. If no objection is submitted pursuant to the objection procedures described above, the Debtors shall be authorized to retain such Ordinary Course Professional as a final matter.

28. The Debtors submit that the retention of the Ordinary Course Professionals and the payment of interim compensation on the basis set forth herein is in the best interests of the Debtors' estates. While generally the Ordinary Course Professionals with whom the Debtors have previously dealt wish to provide services to the Debtors on an ongoing basis, many might be unwilling to do so if they are able to be paid on a regular basis only through a cumbersome, formal application process. If the Debtors lose the expertise, experience and institutional knowledge of these Ordinary Course Professionals, the Debtors' estates undoubtedly will incur significant and unnecessary expenses, as the Debtors will be forced to retain other professionals without similar background and expertise.

29. Because the Ordinary Course Professionals' employment relates only indirectly to the Debtors' work, because the Ordinary Course Professionals are afforded only marginal discretion in performing their work, and because the Ordinary Course Professionals will not be

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<sup>4</sup> For purposes of complying with the Rule 2014 Affidavit procedures set forth above, the timing requirements for Additional Ordinary Course Professionals who are attorneys to file and serve an Affidavit of Attorney Professional will run from the Debtors' filing of the Supplement.

involved in administering these chapter 11 cases, the Debtors do not believe that the Ordinary Course Professionals are "professionals" within the meaning of § 327, whose retention must be approved by the Court. *See, e.g., In re First Merchants Acceptance Corp.*, Case No. 97-1500, 1997 WL 873551, at \*3 (Bankr. D. Del. Dec. 15, 1997) (setting forth criteria consistent with those utilized by other courts when examining the types of duties to be undertaken by a "professional"); *In re Madison Mgmt. Group, Inc.*, 137 B.R. 275, 283 (Bankr. N.D. Ill. 1992) (only retention of professionals whose duties are central to administration of estate requires prior court approval under Section 327); *Elstead v. Nolden (In re That's Entertainment Mktg. Group)*, 168 B.R. 226, 230 (N.D. Cal. 1994) (same); *In re D'Lites of Am., Inc.*, 108 B.R. 352, 355 (Bankr. N.D. Ga. 1989) (section 327 approval not necessary for "one who provides services to debtor that are necessary whether the petition was filed or not.").

30. Nevertheless, out of an abundance of caution, the Debtors seek the relief requested in this Motion to avoid any later controversy about the Debtors' employing and paying the Ordinary Course Professionals during the pendency of these chapter 11 cases. Moreover, Ordinary Course Professionals shall be allowed to retain and maintain any pre-petition claim they have against the Debtors. The Debtors will seek specific Court authority under § 327 to employ any other professionals involved in the actual administration of these chapter 11 cases.

31. This Court has authorized retention of professionals utilized by the debtor in the ordinary course under similar circumstances. *See, e.g., In re Globe Manufacturing, Corp.*, Case No. 01-70115-CMS (Bankr. N.D. Ala. Jan. 18, 2001); *In re Hal Roach Construction, Inc.*, Case No. 00-03118-TBB (Bankr. N.D. Ala. June 29, 2000). Moreover, courts in other districts have granted similar relief in other cases. *See, e.g., Alterra Healthcare Corp.*, Case No. 03-10254

(Bankr. D. Del. January 30, 2003); *In re Exide Technologies*, 02-11125 (Bankr. D. Del. May 10, 2002).

32. The Debtors submit that their proposed employment of the Ordinary Course Professionals and the payment of compensation on the basis set forth above is in the best interests of the Debtors' estates and creditors.

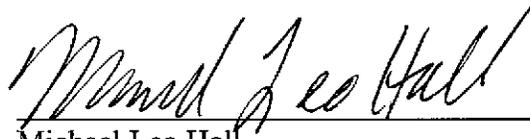
### **NOTICE AND PRIOR MOTIONS**

33. Notice of this Motion has been provided to (1) the Office of the Bankruptcy Administrator for the United States Bankruptcy Court for the Northern District of Alabama, Southern Division; (2) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' prepetition lenders; (3) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' proposed postpetition lenders; (4) the Debtors' twenty (20) largest unsecured creditors (on a consolidated basis); and (5) the District Director of the Internal Revenue Service for the Northern District of Alabama. In light of the nature of the relief requested herein, the Debtors submit that no further notice of the Motion is necessary or required.

34. No previous request for the relief sought in this Motion has been made to this or any other court.

**WHEREFORE**, the Debtors request this Court enter an order, substantially similar to the order attached hereto as Exhibit "C," authorizing the Debtors: (a) to retain the Ordinary Course Professionals without the necessity of a separate, formal retention application approved by this Court for each Ordinary Course Professional; (b) to compensate the Ordinary Course Professionals for postpetition services rendered, subject to the limitations set forth above, without the necessity of additional Court approval; and (c) granting such other and further relief as is just and proper.

Dated this the 18 day of September, 2004.



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Michael Leo Hall  
Robert B. Rubin  
Rita H. Dixon

Attorneys for Debtors and Debtors in Possession

OF COUNSEL:  
BURR & FORMAN LLP  
3100 SouthTrust Tower  
420 North 20th Street  
Birmingham, Alabama 35203  
Telephone: (205) 251-3000  
Facsimile: (205) 458-5100

**EXHIBIT "A"**

**LIST OF ORDINARY COURSE PROFESSIONALS**

	Name	Area
1.	Affiliated Tax Consultant P.O. Box 1627 Henderson, TX 75653	Property Tax Consultant
2.	David L. Cartwright 3005 Wren Lane Richardson, TX 75082	Utility Consultant
3.	Fenley & Bate, P.C. P.O. Box 450 Lufkin, TX 75901	Attorneys
4.	Fairchild, Price, Thomas, Haley P.O. Drawer 631668 Nacogdoches, TX 75963	Attorneys
5.	Goodwin-Lasiter, Inc. 1609 S. Chestnut Lufkin, TX 75901	Professional Surveyors
6.	Little Mendelson, P.C. P.O. Box 45547 San Francisco, CA 94145-0547	Attorneys
7.	Ray Baldwin Risk Management & Consulting Group P.O. Box 150511 Lufkin, TX 75915	Insurance Consultant
8.	Ryan & Company Three Galleria Tower 13155 Noel Road 12 <sup>th</sup> Floor, LB 72 Dallas, TX 75240-5090	Sales Tax Consultant
9.	Samson & Parker Attorneys and Counselors 218 North College Tyler, TX 75240-5090	Attorneys

	<b>Name</b>	<b>Area</b>
10.	Keith A. Thrash 5700 Eastern Valley Drive McCalla, AL 35111	EDI Consultant
11.	Zeleskey Cornelius, Etc. P.O. Box 1728 Lufkin, TX 75902-1728	Attorneys
12.	Morris, James, Hitchens & Williams 222 Delaware Avenue, 10th Floor P.O. Box 2306 Wilmington, DE 19899	Attorneys
13.	Expense Reduction Service 1245 Hurstview Drive, Suite 208 Hurst, TX 76053	Customer Consultant - General Motors
14.	Richard Carr 35 Goleta Point Corona Del Mar, CA 92625	Property Tax Consultants
15.	Maynard, Cooper & Gale 1901 Sixth Avenue North 2400 AmSouth/Harbert Plaza Birmingham, AL 35203	Attorneys
16.	Carr, Allison, Pugh, Howard, Oliver 100 Vestavia Parkway Suite 200 Birmingham, AL 35216	Attorneys
17.	Davis & Kueltow 111 E. Kilbourn Ave, Suite 1400 Milwaukee, WI 53202	Counsel for HR issues
18.	Foley and Lardner Firstar Center 777 E. Wisconsin Ave Milwaukee, WI 53202	Counsel for ABB litigation
19.	Foley & Lardner 150 E. Gilman Street Madison, WI 53701	Attorneys

	<b>Name</b>	<b>Area</b>
20.	Miller, Caufield, Paddock & Stone PLC 150 W. Jefferson, Suite 2500 Detroit, MI 48226	Attorneys
21.	Anne McAlpine, P.C. 20902 Mack Avenue Grosse Pointe Woods, MI 48236	Attorneys
22.	Masuda, Funai, Eifert & Mitchell, Ltd. 203 North LaSalle St Chicago, IL 60601	General Legal
23.	Conestoga-Rovers & Associates Department 406 P.O. Box 8000 Buffalo, NY 14267	Environmental Remediation
24.	Holland & Knight LLP P.O. Box 32092 Lakeland, FL	Litigation Defense (Environmental-Menards)
25.	Crane and Norcross Suite 2000 Two North LaSalle Street Chicago, IL	Property Tax
26.	LRQA Limited P.O. Box 200168 Houston, TX 77216	Consultants
27.	Smith Barney Corporate Trust Company P.O. Box 7247-8963 Philadelphia, PA 19170-8963	Trust Services
28.	Best Software P.O. Box 64351 Baltimore, MD 21264-4351	Fixed Assets Software Support
29.	Theisen Bowers & Associates, LLC 810 S. Calhoun St. Fort Wayne, IN 46802	Attorneys
30.	Baden, Gage and Schoeder 5920 Pointe Inverness Way Fort Wayne, IN 46804	Property Tax Accounting

	<b>Name</b>	<b>Area</b>
31.	William Gabbard 7611 Hope Farm Road Fort Wayne, IN 46815	Environmental Compliance Consulting
32.	ValTax Associates P.O. Box 280 Stapleton, AL 36578	Sales and Use Tax Consultants
33.	Katrina Grider and Associates 1235 North Loop West, Suite 319 Houston, TX 77008	Attorneys
34.	Law Office of Dakshini Sen P.O. Box 770278 Houston, TX 77215-0278	Attorneys
35.	Adams & Reese LLP 2100 Third Avenue North Suite 1100 Birmingham, Alabama 35203	Attorneys
36.	Andrews & Kurth 600 Travis, Suite 4200 Houston, Texas 77002	Attorneys
37.	Baker & Hostetler LLP Dept. NBR 1915 Los Angeles, California 90084	Attorneys
38.	Baran Piper Tarkowsky Fitzgerald & Theis 3 N. Main Street, Suite 500 Mansfield, Ohio 44902	Attorneys
39.	Beatty Law Firm PC 216 16 <sup>th</sup> Street, Suite 1100 Denver, Colorado 80202	Attorneys
40.	Bingaman Hess 2 Meridian Blvd., Suite 100 Wyomissing, Pennsylvania 19610	Attorneys

	<b>Name</b>	<b>Area</b>
41.	Colvin & Petrocchi LLP 801 Cherry Street Suite 2485, Unit 35 Fort Worth, Texas 76102	Attorneys
42.	Coolidge Wall Womsley & Lombard 33 West First Street Suite 600 Dayton, Ohio 45402	Attorneys
43.	Cotten Schmidt 420 Throckmorton Street Suite 500 Fort Worth, Texas 76102	Attorneys
44.	Crossroads LLC 9 Executive Circle Suite 190 Irvine, California 92614	Attorneys
45.	Crouch & Inabnett 1445 Ross Avenue Suite 2300 Dallas, Texas 75202	Attorneys
46.	Debevoise & Plimpton 919 Third Avenue New York, New York 10022	Attorneys
47.	Gaffney Management Consultants 1701 East Woodfield Road Suite 430 Schaumburg, Illinois 60173	Executive Search Firm
48.	Hugh H. Aiken 823 N. 5 <sup>th</sup> Street Atchison, Kansas 66002	Expert Witness
49.	Jackson Lewis LLP 1 North Broadway White Plains, New York 10601	Attorneys

	<b>Name</b>	<b>Area</b>
50.	Leisawitz Heller 2201 Ridgewood Road Wyomissing, Pennsylvania 19610	Attorneys
51.	Mike Parker 2207 Oak Ridge Circle Birmingham, Alabama 35203	Consultant
52.	Milbank Tweed Hadley & McCloy 1 Chase Manhattan Plaza New York, New York 10005	Attorneys
53.	Richards Layton & Finger 1 Rodney Square Wilmington, Delaware 19899	Attorneys
54.	Robert A. Webb 807 Brazos Street Suite 700 Austin, Texas 78731	Consultant
55.	Rose Walker LLP 1701 N. Market Street Suite 200 Dallas, Texas 75202	Attorneys
56.	Sam Hardgrove 7956 Buttercup Circle N. Fort Worth, Texas 76123	Expert Witness
57.	Skadden, Arps, Slate, Meagher & Flom LLP 4 Times Square New York, New York 10036	Attorneys
58.	Shelby Systems 15205 Highway 280 Chelsea, Alabama 35043	Consultant
59.	Spencer Stuart 2600 Resurgens Plaza 945 East Paces Ferry Road Atlanta, Georgia 30326	Executive Search Firm

	<b>Name</b>	<b>Area</b>
60.	Dykema Gossett PLLC 400 Renaissance Center Detroit, Michigan 48243	Attorneys
61.	Ice Miller Donadio & Ryan 1 American Square Indianapolis, Indiana 46282	Attorneys
62.	Quarles & Brandy LLP 411 E. Wisconsin Avenue Suite 2040 Milwaukee, Wisconsin 53202	Attorneys
63.	Sheppard Mullin Richter & Hampton LLP 4 Embarcadero Center San Francisco, California 94111	Attorneys
64.	Kinetic Communications LLP 2017 Morris Avenue Birmingham, Alabama 35203	Consultant
65.	Carlton Lewis, DO 1702 E. Denman Avenue Lufkin, Texas 75901	Employment Physicals
66.	James Rick Martin, DO Post Office Box 150337 Lufkin, Texas 75915-0337	Employment Physicals
67.	Alexander Orlov M.D. 710 Gaslight Blvd., Suite A Lufkin, Texas 75915	Employment Physicals
68.	Samuel Patton, Jr., CPA 401 South Cavin Street Post Office Box 176 Ligonier, Indiana 46767	Accountant
69.	NTC Logistics 8044 Second Avenue South Birmingham, Alabama 35206	Freight Invoice Audits

	<b>Name</b>	<b>Area</b>
70.	Reinhart, Boerner, Van Deuren, Nottis & Rieselback, SC 1000 North Water Street Suite 2100 Milwaukee, Wisconsin 53202	Attorneys
71.	The Segal Company 101 North Wacker Drive Suite 500 Chicago, Illinois 60606-1724	Consultant - Pension Plans
72.	Ceridian Retirement Plan Services Post Office Box 847342 Dallas, Texas 75284	401(k) Administrator
73.	Barry J. Walker Post Office Box 1023 Tupelo, Mississippi 38802	Attorneys
74.	Trust Services Post Office Box 10699 Fargo, North Dakota 58106	401(k) Trustee
75.	Bruce Case 616 Madison Street Stoughton, Wisconsin 53589	Attorney
76.	Janard Engineering Inc. Post Office Box 2011 Brookfield, Wisconsin 53008	Consultant
77.	Hyde Environmental Inc. 20700 Watertown Road Waukesha, Wisconsin 53186	Environmental Consultant
78.	Cross Law Firm 845 N. 11 <sup>th</sup> Street Milwaukee, Wisconsin 53233	Attorneys
79.	Terry Thomas 7135 Capri Drive White Lake, Michigan 48383	Attorneys

	<b>Name</b>	<b>Area</b>
80.	James Weir 216 Brentwood Drive Battlecreek, Michigan 49015	Engineering Consultant
81.	Universal Management Concepts 7100 Peachtree Dunwoody Road Third Floor Atlanta, Georgia 30328	Productivity Consultant
82.	McClintic Associates 2544 Almar Street Jenson, Michigan 49428	Die Casting Consultant
83.	Rockwell Technology 612 Ruddiman Drive N. Muskegon, Michigan 49445	Consultant
84.	Theisen Bowers & Assoc., LLC 810 S. Calhoun Street Fort Wayne, Indiana 46802	Attorneys
85.	Jackson, Lewis, Schnitzler One North Broadway White Plains, New York 10601	Attorneys
86.	Lake Side Group Recruitment 5801 N. Sheridan Road Suite 20-B Chicago, Illinois 60660	Employment Recruiter
87.	Management Recruiters 8411 Corporate Drive Suite 100 Racine, Illinois 53406	Employment Recruiter
88.	Brooks Placement Network 808 E. Homer Street Michigan City, Indiana 46360	Employment Recruiter
89.	Storwater Services Group, LLC 1251-G Trillium Circle Raleigh, North Carolina 27606	Consultant

	<b>Name</b>	<b>Area</b>
90.	Safety Network, Inc. 1130 S. Church Street Asheboro, North Carolina 27203	Drug Screen Testing for Employees
91.	James C. Little 242 Game Trail Thomasville, North Carolina 27360	Software Consultant
92.	Robert Hall Management Post Office Box 60000 San Francisco, California 94160	Employer Search Firm
93.	United Employment Assoc. 2030 Tilghman Street Suite 201 Allentown, Pennsylvania 18104	Employer Search Firm
94.	Willstaff-Placement Fees 4001 E. 29 <sup>th</sup> Street Suite 116 Bryan, Texas 77802	Employer Search Firm
95.	Workwise, Inc. 1200 W. Park Place Milwaukee, Wisconsin 53224	Software Consultant
96.	Assessment Technologies Post Office Box 402 Sugar Land, Texas 77487	Consultant
97.	Tractebel 1990 Post Oak Boulevard Suite 1900 Houston, Texas 77056	Consultant



3. Neither I, [Insert Abbreviation for Firm], nor any partner, associate or other member thereof, insofar as I have been able to ascertain, has any connection with the above-captioned debtors and debtor-in-possession (the "Debtors"), their creditors, any other party in interest, their respective attorneys and accountants, the United States Trustee or any person employed in the Office of the United States Trustee, except as set forth in this affidavit.

4. [Insert Abbreviation for Firm], through myself and other attorneys of the firm, has represented and advised the Debtors with respect to [Fill in Description of Aspects] of the Debtors' businesses.

5. The Debtors have requested, and [Insert Abbreviation for Firm] has agreed, to continue to represent the Debtors pursuant to § 327 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with respect to such matters. Additionally, the Debtors have requested, and [Insert Abbreviation for Firm] proposes, to render the following services to the Debtors:

[Insert Services]

6. [Insert Abbreviation for Firm]'s current customary hourly rates are [Insert Fee Scale]. In the normal course of business, [Insert Abbreviation for Firm] revises its regular hourly rates on [Insert Date] of each year and requests that, effective [Insert Date] of each year, the aforementioned rates be revised to the regular hourly rates which will be in effect at that time.

7. In connection with these cases, [Insert Abbreviation for Firm] has rendered services to the Debtors that have not yet been billed or that have been billed but for which payment has not been received. The value of such services does not exceed \$ [Insert Amount].

8. Except as set forth herein, no promises have been received by [Insert Abbreviation for Firm] as to compensation in connection with these chapter 11 cases other than

in accordance with the provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules and orders of this Court.

9. [Insert Abbreviation for Firm] has no agreement with any entity to share any compensation received from the Debtors.

10. [Insert Abbreviation for Firm] and its partners and other members may have represented in the past, currently represent, and may in the future represent entities that are creditors of the Debtors in matters totally unrelated to the matters with respect to which [Insert Abbreviation for Firm] is to be engaged by the Debtors. However, neither I, [Insert Abbreviation for Firm], nor any partner or other member thereof, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates in the matters upon which [Insert Abbreviation for Firm] is to be engaged.

11. The foregoing constitutes the statement of [Insert Abbreviation for Firm] pursuant to Bankruptcy Code §§ 329 and 504 and Fed. R. Bankr. P. 2014 and 2016(b).

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**Affiant**

Sworn to and subscribed before me  
this \_\_\_\_ day of \_\_\_\_\_, 2004.

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Notary Public

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION**

**IN RE:** )  
 ) **Chapter 11**  
**CITATION CORPORATION, et al.,<sup>1</sup>** )  
 ) **Case No. \_\_\_\_\_**  
 )  
**Debtors.** )

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**ORDER AUTHORIZING RETENTION OF PROFESSIONALS UTILIZED BY  
DEBTORS IN ORDINARY COURSE OF BUSINESS**

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This matter came to be heard upon the motion (the "Motion") of Citation Corporation ("Citation"), its holding company, and certain of its direct and indirect subsidiaries (the "Subsidiaries"), as debtors and debtors in possession (collectively, the "Debtors"), for authorization to retain professionals used in the ordinary course of their businesses pursuant to §§ 105(a) and 327 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), and upon consideration of the Affidavit of Charles P. Bloome in Support Chapter 11 Petitions and First Day Orders; the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; due notice of the Motion having been provided to (1) the Office of the Bankruptcy Administrator for the United

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<sup>1</sup> In addition to the Citation Corporation, the Debtors include the following entities: (i) Citation Holding Company, (ii) Berlin Foundry Corporation, (iii) Bohn Aluminum, Inc., (iv) Castwell Products, Inc., (v) Citation Precision, Inc., (vi) HI-TECH, Inc., (vii) Iroquois Foundry Corporation, (viii) ISW Texas Corporation, (ix) Mansfield Foundry Corporation, (x) OBI Liquidating Corp., (xi) Texas Steel Corporation, (xii) TSC Texas Corporation, (xiii) Citation Aluminum, LLC, (xiv) Citation Castings, LLC, (xv) Citation Grand Rapids, LLC, (xvi) Citation Lake Zurich, LLC, (xvii) Citation Michigan, LLC, (xviii) Citation Wisconsin Forging, LLC, (xix) Citation Wisconsin, LLC, (xx) ITM Holding Co., LLC, (xxi) Interstate Southwest, Ltd., (xxii) Texas Foundries, Ltd., and (xxiii) MFC Liquidating Company, Ltd.

States Bankruptcy Court for the Northern District of Alabama, Southern Division; (2) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' prepetition lenders; (3) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' proposed postpetition lenders; (4) the Debtors' twenty (20) largest unsecured creditors (on a consolidated basis); and (5) the District Director of the Internal Revenue Service for the Northern District of Alabama; and it appearing that no other or further notice need be provided; the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; upon the Motion and all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefore, it is hereby

**ORDERED** that the Motion is **GRANTED**; and it is further

**ORDERED** that pursuant to 11 U.S.C. §§ 105 and 327, the Debtors be, and hereby are, authorized and empowered to employ and retain the Ordinary Course Professionals listed on the attached Exhibit "A"; and it is further

**ORDERED** that subject to the limitations set forth below, the Debtors are authorized to pay, without formal application to the Court by any Ordinary Course Professional, the full billed amounts of the interim fees and disbursements of each Ordinary Course Professional upon submission to the Debtors of an invoice setting forth in reasonable detail the nature of the services rendered after the Petition Date and calculated in accordance with such Ordinary Court Professional's standard billing practices (without prejudice to the Debtors' right to dispute any such invoices); *provided, however*, that no compensation paid to an Ordinary Course Professional shall be final until the retention of such Ordinary Course Professional is authorized as a final matter pursuant to the provisions below; and it is further

**ORDERED** that payments to an Ordinary Course Professional shall be subject to the

approval of the Court in accordance with §§ 330 and 331 if payments to such Ordinary Course Professional exceed \$15,000.00 in any one month or \$60,000.00 during the entire case. The compensation paid to the Ordinary Course Professionals described in the foregoing sentence shall nonetheless become subject to the approval of the Court in accordance with §§ 330 and 331 if it exceeds the limits set forth therein. However, the payments to Ordinary Course Professionals shall not exceed \$1,000,000.00 in the aggregate, without further order from this Court. In all other respects, such Ordinary Course Professionals shall be treated as an Ordinary Course Professional and their retention shall be governed by this Order; and it is further

**ORDERED** that approximately every one-hundred and twenty (120) days, the Debtors shall file a statement with the Court (the "Statement") and serve such Statement upon the Bankruptcy Administrator, counsel to the Agent for the Debtors' prepetition lenders and proposed post-petition lenders, and the twenty (20) largest unsecured creditors or the Committee. The Statement shall include the following information for each Ordinary Course Professional: (a) the name of the Ordinary Course Professional; (b) the aggregate amounts paid as compensation for services rendered and reimbursement of expenses incurred by the Ordinary Course Professional during the one hundred and twenty (120) days; and (c) a general description of the services rendered by the Ordinary Course Professional; and it is further

**ORDERED** that within five (5) days after entry of this Order, the Debtors shall serve this Order upon each Ordinary Course Professional. Not later than thirty (30) days after entry of this Order, each Ordinary Course Professional who is an attorney ("Attorney Professional") shall file with the Court an Affidavit of Attorney Professional and serve same upon (1) the Office of the Bankruptcy Administrator for the United States Bankruptcy Court for the Northern District of Alabama, Southern Division; (2) counsel to JPMorgan Chase Bank as Administrative Agent for

the Debtors' prepetition lenders; (3) counsel to the Agent for the Debtors proposed postpetition lenders; (4) the District Director of the Internal Revenue Service for the Northern District of Alabama; (5) counsel to any committees; and (6) counsel to the Debtors, a verified statement pursuant to Fed. R. Bankr. P. 2014, substantially in the form of the statement attached to the Motion as Exhibit "B," including an explanation of prepetition services rendered and postpetition services to be provided to the Debtors; and it is further

**ORDERED** that the parties noticed shall have twenty (20) days after the receipt of such statement, or such other time as may be agreed to by the relevant Attorney Professional or ordered by the Court (the "Objection Deadline"), to object to the retention of the relevant Attorney Professional. Objections, if any, shall be served upon (i) the Ordinary Course Professional, the Bankruptcy Administrator, counsel for the Agent to the proposed postpetition lenders, counsel for any Committee, and the undersigned counsel to the Debtors, on or before the Objection Deadline. If any such objection cannot be resolved within twenty (20) days of service, the matter shall be scheduled for hearing before the Court at the next regularly-scheduled omnibus hearing or other date otherwise agreeable to the Attorney Professional, the Debtors and objecting party. If no objection is submitted on or before the Objection Deadline, or if any objection submitted is timely resolved as set forth above, then without further order of the Court the employment, retention and compensation of the Attorney Professional shall be deemed approved; and it is further

**ORDERED** that the Debtors are authorized, without need for further hearing or order of the Court, to employ and retain Ordinary Course Professionals not presently listed in Exhibit "A" ("Additional Ordinary Course Professionals") by filing with the Court a supplement to Exhibit "A" (the "Supplement"). The Supplement shall list the name and estimated monthly fee of the

Additional Ordinary Course Professional, along with a brief description of the services to be rendered and shall otherwise comply with the terms of this Order. For purposes of complying with the Statement requirement above, the thirty (30) day requirement for the Additional Ordinary Course Professionals who are attorneys shall run from the filing of the Statement with the Court, but all other requirements shall remain the same.

Dated this the \_\_\_\_ of \_\_\_\_\_, 2004.

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**United States Bankruptcy Judge**