

Debtors' Third Supplemental Application for an Order Further Expanding the Scope of Employment and Retention of Ernst & Young LLP to Include Additional Tax Services, nunc pro tunc to December 1, 2008 (the "Third Supplemental Retention Application").

By the Third Supplemental Retention Application, the Debtors seek entry of an order further expanding the scope of services provided to the estates by Ernst & Young LLP ("E&Y"). On March 25, 2008, the Court entered an order approving, on a final basis, the retention of E&Y to provide the Debtors with auditing and tax services (the "Retention Order"). Thereafter, on June 21, 2008 the Court entered an order expanding the scope of the Debtors' retention of E&Y to include services with respect to (i) state tax compliance and (ii) the Debtors' management bonus program (the "Supplemental Order"). On November 12, 2008, the Court entered an order approving E&Y's retention to provide additional auditing and accounting services (the "Second Supplemental Order").

The Debtors request that E&Y's retention be further expanded to include additional tax services (the "Additional Services") including (i) state and local tax consulting services, including advisory services related to bankruptcy tax claims and securing tax refunds from state and local entities and (ii) federal, state, and local tax compliance services, including preparation of required tax forms. The Debtors assert that the Additional Services are necessary for the Debtors to fulfill their duties under applicable regulations and to maximize the value of the Debtors' estates. Further, the Debtors believe that E&Y is uniquely suited to perform the Additional Services because E&Y has already preformed significant audit and tax work for the Debtors and has intimate familiarity with their financial systems.

For the Additional Services, E&Y will be compensated based on hourly rates ranging from \$180 per hour to \$925 per hour.¹ In addition, E&Y will seek reimbursement for its reasonable and necessary expenses. As provided in the Retention Order, E&Y will seek approval of its compensation under Bankruptcy Code sections 330 and 331 and will file interim and final fee applications with the Court.

A hearing on the Third Supplemental Retention Application has been scheduled for January 9, 2009, and a corresponding objection deadline has been set for January 8, 2009.

¹ These amounts are comparable to those in E&Y's previous retention orders. For the services provided under the Retention Order and the Supplemental Order, E&Y is compensated at rates between \$170 - \$925. Pursuant to the Second Supplemental Order, E&Y is compensated based on hourly rates ranging from \$215 per hour to \$855 per hour.