IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
J.L. FRENCH AUTOMOTIVE CASTINGS, INC., *et al.*	)	Case No. 09-12445 (KG) (Jointly Administered)
	)	
Debtors.[1]	)	

APPLICATION FOR ORDER PURSUANT TO 11 U.S.C. §§ 327(a) AND 328(a), FED. R. BANKR. P. 2014(a) AND DEL. BANKR. L. R. 2014-1 AUTHORIZING THE RETENTION OF KPMG LLP AS COLLATERAL ADVISOR, *NUNC PRO TUNC* TO AUGUST 17, 2009

J.L. French Automotive Castings, Inc. and its affiliated chapter 11 debtors, debtors and debtors in possession (collectively, the "Debtors" or the "Company"), hereby seek entry of an order authorizing the retention and employment of KPMG LLP. ("KPMG"), as the Debtors' collateral auditor in these chapter 11 cases, *nunc pro tunc* to August 17, 2009.

In support of this Application, the Debtors submit the Declaration of Andrea P. Beirne in Support of the Application dated as of the date hereof (the "Supporting Declaration"), attached hereto as Exhibit A. In further support of this Application, the Debtors respectfully state as follows:

[1] The Debtors in these cases along with the last four digits of each of the Debtors' federal tax identification numbers are: J.L. French Automotive Castings, Inc., (3670); French Holdings LLC, (0518); Nelson Metal Products LLC (4939); Allotech International LLC (5832); J.L. French LLC (8901); J.L. French Automotive, LLC (7075); Central Die, LLC (7793). The Debtors' headquarters and mailing address is: 3101 South Taylor Drive, Sheboygan, WI 53082.

Jurisdiction And Venue

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

2. By this Application, the Debtors request that this Court enter an order, pursuant to sections 327(a) and 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), authorizing and approving the Debtors' employment and retention of KPMG, *nunc pro tunc* to August 17, 2009, the date that KPMG commenced providing services to the Debtors, as the Debtors' collateral advisor.

3. As required by Bankruptcy Rule 2014(a), this Application sets forth (i) the specific facts showing the necessity for KPMG's employment, (ii) the reasons for the selection of KPMG as collateral advisor for the Debtors, (iii) to the best of the Debtors' knowledge, all of KPMG's connections, if any, to certain parties in interest in these chapter 11 cases, (iv) the professional services to be rendered by KPMG, and (v) the proposed arrangement between the Debtors and KPMG for KPMG's compensation. See Fed. R. Bankr. P. 2014(a).

I. Debtors' Need To Retain KPMG

4. Pursuant to the terms of the Debtors' debtor-in-possession financing agreement approved by the Court (the "DIP Financing Agreement"), the Debtors are obligated to

pay in full all loans drawn thereunder prior to the effective date of the Debtors' proposed plan of reorganization (the "Plan"). The Debtors' financial advisors have contacted numerous lenders (the "Potential Exit Facility Lenders") and obtained preliminary proposal for exit financing that would enable the debtors to repay the DIP Financing Agreement obligations (the "Exit Financing").

5. The Potential Exit Facility Lenders have informed the Debtors that in connection with any potential Exit Financing, they will require a collateral audit of the Debtors' inventory and accounts receivable to support their due diligence. Rather than having to reimburse each Potential Exit Facility Lender for its individual collateral advisor's costs, the Debtors determined it that would be most cost-effective to retain its own professional to prepare the required information, which each Potential Exit Facility Lender would then be able to rely on. To that end, the Debtors previously sought and obtained the Court's approval to immediately engage a collateral advisor.[2]

6. Each of the Potential Exit Facility Lender has consented to the Debtors' retention of KPMG as such collateral advisor. In accordance with the Payment Authorization Order, the Debtors are filing to this application to formally retain KPMG.

II. KPMG's Qualifications

7. KPMG is well suited for the type of collateral advising required by the Debtors. KPMG has a high level of advisory competency with auto parts inventories and has performed similar services for many other auto parts manufacturers over the years. Examples of

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[2] See this Court's order entered on August 17, 2009 [Docket No. 231]authorizing the Debtors "to immediately engage an asset appraiser and/or a collateral auditor…." (the "Payment Authorization Order").

recent engagements of KPMG include: Delphi Corporation, Accuride Corporation, Novelis Inc. and Lear Corporation.

III. KPMG's Disinterestedness

8. To the best of the Debtors' knowledge, information and belief, other than as set forth herein or in the Supporting Declaration, KPMG has no connection with the Debtors, their creditors, the United States Trustee for District of Delaware, or any other party with an actual or potential interest in the Debtors' chapter 11 cases or their attorneys or accountants.

9. To the best of the Debtors' knowledge, information and belief, based on (and other than as set forth in) the Supporting Declaration, KPMG does not hold or represent any interest adverse to the Debtors' estates. The Debtors believe that KPMG a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and that the employment of KPMG is necessary and in the best interests of the Debtors, their estates, and their creditors.

IV. Services To Be Provided By KPMG

10. KPMG will provide, among others, some or all of the following services:

(a) inquiry into the Debtors' credit and collection policies and procedures, revenue recognition process, billing procedures and aging methodology;

(b) compare relative accounts receivable levels and turnover statistics over the current and prior periods;

(c) inquire about the accounts receivable of the Debtors top ten customers and top ten past due accounts;

(d) make an inquiry into the Debtors' inventory controls and procedures related to procurement and costing;

(e) compare relative inventory levels and turnover statistics over the current and prior periods;

(f) inquire about the Debtors' accounts payable for trade vendors, taxes, and payroll;

(g) survey Debtors' cash controls and procedures and analyze cash flow and the cash management structure; and

(h) perform a borrowing base calculation based on accounts reciveable and inventory ability.

11. The Debtors require an experienced and knowledgeable collateral advisor to perform these professional services. KPMG has substantial experience in collateral audits of the auto parts industry. As a result, KPMG is well-qualified to perform these services in these chapter 11 cases. Subject to this Court's approval of this Application, KPMG is willing to serve as the Debtors' collateral advisor and perform the services described above.

V. KPMG's Compensation

12. On August 17, 2009, the Debtors and KPMG agreed to the scope of KPMG's services, as more fully set forth in the engagement letter (the "Engagement Letter"), attached hereto as Exhibit B.

13. KPMG will be compensated at its standard hourly rates, which are based on the professionals' level of experience. At present, the discounted hourly rates charged by KPMG will be $400 for partners, $325 for directors and senior managers, $275 for managers, $225 for senior associates, and between $125 and $175 for associates. KPMG will maintain detailed, contemporaneous records of time and any necessary expenses incurred in connection with the rendering of the audit services described above.

14. Notwithstanding the payment procedures outline in the Engagement Letter, KPMG intends to apply to the Court for payment of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, Local Rules, the guidelines promulgated by the Office of the U.S. Trustee, and pursuant to any additional procedures that may be established by this Court in the Debtors' chapter 11 cases.

Basis For Relief

15. Section 327(a) of the Bankruptcy Code provides, in pertinent part, that a debtor-in-possession is authorized, with the court's approval, to employ "appraisers . . . that do not hold or represent an interest adverse to the estates, and that are disinterested persons, to represent or assist [the debtor-in-possession] in carrying out [its] duties under [the Bankruptcy Code]." 11 U.S.C. § 327(a). Section 328(a) of the Bankruptcy Code provides, in pertinent part, that a debtor-in-possession, with the court's approval, "may employ or authorize the employment of a professional person under section 327 . . . on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis. . . ." 11 U.S.C. § 328(a).

No Previous Request

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

Notice

17. Notice of this Application has been provided to the following parties or, in lieu thereof, to their counsel, if known: (i) Office of the United States Trustee; (ii) the administrative agent for the Debtors' postpetition lenders; (iii) the administrative agents for the

Debtors' prepetition secured lenders; (iv) counsel to certain of the prepetition secured lenders; (v) creditors holding the forty largest unsecured claims against the Debtors on a consolidated basis as identified in Debtors' petitions, or their legal counsel (if known); (vi) those persons who have requested notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure; and (vii) any other persons as required by Del. Bankr. LR 9013-1(m). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

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WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached to this Application, (i) authorizing and approving the Debtors' retention and employment of KPMG as their collateral advisor in these chapter 11 cases and (ii) granting such other and further relief the Court may deem just and proper.

Dated: August 27, 2009

J.L. French Automotive Castings, Inc.
(for itself and on behalf of its affiliated
Debtors and Debtors in Possession)

By: [signature]
Thomas Musgrave
Chief Executive Officer and President