

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

IN RE:) Chapter 11
)
MET-COIL SYSTEMS CORPORATION,) Case No. 03-12676 (MFW)
)
Debtor.)
) **Objection Deadline: October 13, 2003 at 4:00 p.m. (ET)** ✓
) **Hearing Date: October 20, 2003 at 3:00 p.m. (ET)**

**APPLICATION FOR ORDER AUTHORIZING LEGAL REPRESENTATIVE FOR
FUTURE CLAIMANTS TO RETAIN AND EMPLOY
YOUNG CONAWAY STARGATT & TAYLOR, LLP AS COUNSEL**

Eric D. Green (the “Future Claimants’ Representative”), as the proposed legal representative for Future Claimants (defined herein below) in the above-captioned case, for his application (the “Application”) for an order pursuant to sections 105(a), 327, and 1103 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing the Future Claimants’ Representative to retain and employ Young Conaway Stargatt & Taylor, LLP (“YCS&T” or the “Firm”) as his attorneys effective as of September 10, 2003, respectfully represents:

INTRODUCTION

1. On August 26, 2003 (the “Petition Date”), the debtor in the above captioned case (the “Debtor” or “Met-Coil”) commenced this case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

2. Since filing their petitions for relief, the Debtor has continued to manage and operate its business as debtor-in-possession pursuant to Sections 1107 and 1108 of the

Bankruptcy Code. On September 11, 2003, the Official Committee of Unsecured Creditors (the “Committee”) was appointed in this case by the United States Trustee.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicates for the relief requested herein are sections 105(a), 327, and 1103 of the Bankruptcy Code.

BACKGROUND

4. Met-Coil is a metal forming company with two separate operating divisions, Lockformer and IPI. Lockformer operates out of a manufacturing facility in Lisle, Illinois, and IPI operates out of a manufacturing facility in Cedar Rapids, Iowa. Through its two divisions, Met-Coil manufactures advanced sheet metal-forming equipment, fabricating equipment and computer controlled fabrication systems for HVAC sheet metal contractors, steel service centers and custom roll formers in the global market.

5. Met-Coil filed this chapter 11 proceeding in order to obtain relief from a mounting tide of lawsuits that had been filed against it as a result of an alleged release of trichloroethylene (“TCE”) into the soil at the Lisle facility of one of Met-Coil’s operating divisions, the Lockformer Company. The plaintiffs in these lawsuits, allege, amongst other things, property damages, diminution in property values, nuisance and personal injuries. Certain of the lawsuits also seeks punitive damages from Met-Coil.

6. Most of the plaintiffs in these suits own property or live near the Lisle facility. As is common with claims arising from alleged environmental contamination, it may take years for claimants to develop injuries or realize that their property has been damaged. Many claimants may not realize that they might have a claim against Met-Coil because no damages or injuries have developed or been discovered. Other claimants may allege that their

claims arose after the Petition Date. In order to protect the rights and interests of these persons who may have claims or demands against Met-Coil or other third parties arising after the Petition Date as a result of the alleged release of TCE (“Future Claimants”), the Debtor has sought an appointment of a representative to protect the interests of the Future Claimants (the “Future Claimants’ Representative”).

7. A key feature of any consensual plan of reorganization in this case will be the creation of a channeling injunction. Through a channeling injunction, all current and future personal injury claims against the Debtor will be directed to a trust established for the purposes of equitably distributing available assets to the holders of such claims.

8. The Future Claimants’ Representative anticipates that the structure and provision of a plan of reorganization will be the subject of intense negotiations during the coming months. During these negotiations, the rights of current claimants can be well represented and indeed protected by the claimants who have elected to be heard in these proceedings as parties in interest. The appointment of a Future Claimants’ Representative is necessary to represent and protect the rights of Future Claimants.

9. Coincident with the relief requested herein, the Debtor filed their Application for the Appointment of Eric Green as Legal Representative for Future Claimants, (the “Appointment Application”). In the Appointment Application, the Debtor requested that the Future Claimants’ Representative be granted permission to employ attorneys or other professionals consistent with sections 105, 327 and 1103 of the Bankruptcy Code.

RELIEF REQUESTED

10. The Future Claimants' Representative requests entry of an order authorizing him to employ as his attorneys and to retain under a general retainer the law firm of YCS&T, effective as of September 10, 2003.

BASIS FOR RELIEF REQUESTED

11. Section 327(a) of the Bankruptcy Code provides, in relevant part, as follows:

Except as otherwise provided in this section, the trustee, with the court's approval, may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title.

11 U.S.C. § 327(a).

12. Section 1103(a) of the bankruptcy Code provides, in relevant part, as follows:

At a scheduled meeting of a committee appointed under section 1102 of this title, at which a majority of the members of such committee are present, and with the court's approval, such committee may select and authorize the employment by such committee of one or more attorneys, accountants, or other agents, to represent or perform services for such committee.

11 U.S.C. § 1103(a).

13. Bankruptcy Rule 2014(a) provides, in relevant part, as follows:

An order approving the employment of attorneys . . . pursuant to § 327, § 1103, or § 1114 of the Code shall be made only on application of the trustee or committee. The application shall be filed and . . . a copy of the application shall be transmitted by the applicant to the United States trustee. The application shall state the specific facts showing the necessity for the employment, the name of the person to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement

for compensation, and, to the best of the applicant's knowledge, all of the person's connections with the debtor, 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. The application shall be accompanied by a verified statement of the person to be employed setting forth the person's connections with the debtor, creditors, or 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.

14. In other chapter 11 cases, legal representatives for future claimants have been authorized to retain counsel to assist them in performing their duties in the bankruptcy proceedings. See, e.g., In re Johns-Manville Corporation, Ch. 11 Case No. 82-B-11656 (BRL) (Bankr. S.D.N.Y. August 14, 1984); In re Keene Corporation, Ch. 11 Case No. 93-B-46090 (SMB) (Bankr. S.D.N.Y. 1994); In re The Babcock & Wilcox Company, Ch. 11 Case No. 00-1092 (Bankr. E.D. La. 2000); In re Pittsburgh Corning Corporation, Ch. 11 Case No. 00-22876 (JKF) (Bankr. W.D. Pa. 2000); In re North American Refractories Company, Ch 11 Case No. 02-20198 (JKF) (Bankr. W.D. Pa. 2002); In re Federal-Mogul Global Inc., Ch. 11 Case No. 01-10578 (Bankr. D. Del. 2001); In re USG Corporation (Ch. 11 Case No. 01-2094 (RJN) (Bankr. D. Del 2001); In re AC and S, Inc., Ch. 11 Case No. 02-12687 (RJN) (Bankr. D. Del. 2002); In re Kaiser Aluminum Corporation, Ch. 11 Case No. 02-10429 (JKF) (Bankr. D. Del. 2002).¹

15. The Future Claimants' Representative seeks to retain YCS&T because YCS&T's attorneys have extensive experience and knowledge in the field of corporate reorganization, debtors' and creditors' rights and, in particular, the resolution of mass tort-related liabilities. Accordingly, the Future Claimants' Representative believes that YCS&T is well qualified to represent him in this chapter 11 case.

¹ Eric Green, the proposed Future Claimants' Representative in the instant case, is the legal representative for the future asbestos bodily injury claimants in the Babcock & Wilcox and Federal-Mogul cases. YCS&T represents Mr. Green in his role as the Future Claimants' Representative in each of these cases.

16. YCS&T is a general practice, litigation-oriented firm which maintains a national, regional and local practice in the areas of corporate, bankruptcy, commercial, real estate, personal injury, employment and environmental law. YCS&T was selected by the Future Claimants' Representative because of YCS&T's extensive experience and knowledge in the field of debtors' and creditors' rights and business reorganizations under chapter 11 of the Bankruptcy Code. Moreover, YCS&T has substantial experience in bankruptcy cases affecting the rights of mass-tort claimants. YCS&T represented the legal representative for the unknown asbestos bodily injury claimants in the Celotex bankruptcy cases (Ch. 11 Case Nos. 90-100016-8B1 and 90-100017-8B1 (Bankr. M.D. Fla.)) and currently represents the legal representative for the unknown asbestos bodily injury claimants in The Babcock & Wilcox Company case (Ch. 11 Case No. 00-1092 (Bankr. E.D. La. 2000)), the Pittsburgh Corning Corporation case (Ch. 11 Case No. 00-22876 (JKF) (Bankr. W.D. Pa. 2000)), the Owens Corning case (Ch. 11 Case No. 00-3837 (Bankr. D. Del. 2000)), the Armstrong World Industries case (Ch. 11 Case No. 00-4471 (Bankr. D. Del. 2000)), the Federal-Mogul Global case (Ch. 11 Case No. 01-10578 (Bankr. D. Del. 2001)), the USG Corporation case (Ch. 11 Case No. 01-2094 (RJN) (Bankr. D. Del 2001)), the North American Refractories Company case (Ch. 11 Case No. 02-20198 (JKF) (Bankr. W.D. Pa. 2002)), the Global Industrial Technologies case (Ch. 11 Case No. 02-21626 (JKF) (Bankr. W.D. Pa. 2002)), the AC and S case (Ch. 11 Case No. 02-12687 (RJN) (Bankr. D. Del. 2002)) and the Kaiser Aluminum Corporation case (Ch. 11 Case No. 02-10429 (JKF) (Bankr. D. Del. 2002)). YCS&T also represents the debtor in the asbestos-related chapter 11 case of In re Fuller-Austin Insulation Company, (No. 98-2028 (JJF) (Bankr. D. Del. 1998)).

SERVICES TO BE PROVIDED

17. The services that YCS&T will perform will enable the Future Claimants' Representative to execute his duties and responsibilities in connection with this chapter 11 case. Subject to further orders of this Court, YCS&T will render the following services, among others, to the Future Claimants' Representative:

- (a) Providing legal advice with respect to the Future Claimants' Representative's powers and duties as Future Claimants' Representative for the Future Claimants;
- (b) Taking any and all actions necessary to protect and maximize the value of the Debtor's estate for the purpose of making distributions to Future Claimants and to represent the Future Claimants' Representative in connection with negotiating, formulating, drafting, confirming and implementing a plan(s) of reorganization, and performing such other functions as are set forth in section 1103(c) of the Bankruptcy Code or as are reasonably necessary to effectively represent the interests of the Future Claimants;
- (c) Preparing, on behalf of the Future Claimants' Representative, necessary applications, motions, objections, answers, orders, reports and other legal papers in connection with the administration of the estates in this case; and
- (d) Performing any other legal services and other support requested by the Future Claimants' Representative in connection with this chapter 11 case.

18. YCS&T has agreed to act on the Future Claimants' Representative's behalf in all of these respects.

19. YCS&T intends to apply for compensation for professional services rendered in connection with this case and for reimbursement of actual and necessary expenses incurred, in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the local rules and orders of this Court. The attorneys and paralegal presently

designated to represent the Future Claimants' Representative and their current standard hourly rates are:

James L. Patton, Jr. (Partner)	\$510 per hour
Edwin J. Harron (Partner)	\$375 per hour
Timothy P. Cairns (Associate)	\$205 per hour
Sean T. Greecher (Associate)	\$190 per hour
Stephanie Warren (Paralegal)	\$95 per hour

In addition, the Firm may hire contract professionals to perform certain projects or tasks. The Firm will bill any such contract professionals at a rate consistent with their experience, and the Firm's use of any such contract professionals will be clearly denoted in its fee applications.

20. The hourly rates set forth above are the Firm's standard hourly rates for work of this nature. These rates are set at a level designed to fairly compensate the Firm for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. It is the Firm's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by the Firm to outside copying services for use in mass mailings, travel expenses, expenses for "working meals," computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. The Firm will charge for these expenses in a manner and at rates consistent with charges made generally to the Firm's other clients. The Firm believes that it is fairer to charge

these expenses to the clients incurring them than to increase the hourly rates and spread the expenses among all clients.

21. YCS&T understands that its fees and expenses in these chapter 11 proceedings will be subject to the requirements of sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules and any order entered by this Court establishing procedures for interim compensation and reimbursement of expenses of professionals.

22. YCS&T has informed the Future Claimants' Representative that, except as otherwise disclosed herein and in the annexed Declaration of Edwin J. Harron (the "Harron Declaration"), YCS&T represents no other entity in connection with this case, and is disinterested as that term is defined in section §101(13) of the Bankruptcy Code.

BEST INTERESTS OF THE ESTATES

23. YCS&T's bankruptcy and restructuring attorneys are, in the Future Claimants' Representative's view, highly skilled, and are prepared to quickly develop a familiarity with the Debtor's affairs. The Future Claimants' Representative therefore believes that the retention of YCS&T is in the best interest of the Debtor, its estate and creditors as well as in the best interest of the Future Claimants.

NOTICE

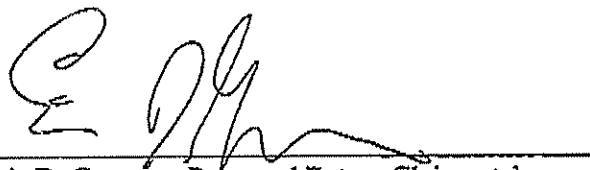
24. The Future Claimants' Representative provided notice of this Application to the Office of the United States Trustee, the Debtor, the Committee, the DIP lender, and all parties who filed Notices of Appearance herein.

NO PREVIOUS REQUEST

25. No previous request for the relief sought in this Application has been made to this or any other Court.

WHEREFORE, the proposed Future Claimants' Representative requests entry of an order authorizing him to employ and retain the firm of YCS&T, nunc pro tunc to September 10, 2003, to represent the Future Claimants' Representative in this chapter 11 case, and granting such other and further relief as is just and proper.

Dated: September ²² 2003



Eric D. Green, as Proposed Future Claimants'
Representative