

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 11
)	
CORUS BANKSHARES, INC. ¹)	Case No. 10-26881 (PSH)
)	
Debtor.)	Objection Deadline: January 24, 2011 at 4:00 p.m., C.T.
)	Hearing Date: Scheduled Only If Necessary

**NOTICE OF THE FIFTH APPLICATION OF KIRKLAND & ELLIS LLP
FOR ALLOWANCE OF ADMINISTRATIVE CLAIM FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE
INTERIM PERIOD OCTOBER 1, 2010 THROUGH OCTOBER 31, 2010**

PLEASE TAKE NOTICE that on **January 10, 2011**, the **Fifth Application of Kirkland & Ellis LLP for Allowance of Administrative Claim for Compensation and Reimbursement of Expenses for the Interim Period October 1, 2010 Through October 31, 2010** (the "Application") was filed by Kirkland & Ellis LLP ("K&E") with the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, 219 South Dearborn, Chicago, IL 60604.

PLEASE TAKE FURTHER NOTICE that for the interim period October 1, 2010 through October 31, 2010, K&E seeks interim allowance of monthly fees in the amount \$235,572.80 (80% of \$294,466.00) and monthly expenses in the amount of \$21,205.77.

PLEASE TAKE FURTHER NOTICE that any objection must be filed with the Court by **January 24, 2011 at 4:00 p.m., C.T.** and served by such time on: (a) the Debtor: Corus Bankshares, Inc., 10 S. Riverside Plaza, Suite 1800, Chicago, IL 60606, Attn: Chief Financial Officer; (b) counsel to the Debtor: Kirkland & Ellis LLP, 300 N. LaSalle, Chicago, IL 60654, Attn: Jeffrey W. Gettleman; (c) the Office of the United States Trustee for the Northern District of Illinois, 219 South Dearborn Street, Suite 873, Chicago, Illinois 60604, Attn: Richard C. Friedman; and (d) counsel to the official committee of unsecured creditors.

PLEASE TAKE FURTHER NOTICE that pursuant to the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members* [Docket No. 67], if no objections are filed and served in accordance with the above procedure, the Debtor will be authorized to pay K&E 80% of the requested fees and 100% of the requested expenses without further hearing or order of the Court. A hearing on the Application will be held only if an objection is properly and timely filed in accordance with the above procedure.

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor's federal tax identification number, is: Corus Bankshares, Inc. (3592). The location of the Debtor's corporate headquarters and the service address for the Debtor is: 10 S. Riverside Plaza, Suite 1800, Chicago, IL 60606.

Dated: January 10, 2011

KIRKLAND & ELLIS LLP

/s/ David R. Seligman

James H.M. Sprayregen, P.C. (IL Bar No. 6190206)

David R. Seligman, P.C. (IL Bar No. 6238064)

Jeffrey W. Gettleman (IL Bar No. 0944904)

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Counsel to the Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
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In re:)	
)	Chapter 11
CORUS BANKSHARES, INC. ¹)	
)	Case No. 10-26881 (PSH)
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**COVER SHEET FOR THE FIFTH APPLICATION OF KIRKLAND & ELLIS LLP
FOR ALLOWANCE OF ADMINISTRATIVE CLAIM FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE
INTERIM PERIOD OCTOBER 1, 2010 THROUGH OCTOBER 31, 2010**

Name of Applicant	Kirkland & Ellis LLP
Authorized to provide professional services to:	Corus Bankshares, Inc., Debtor and Debtor in Possession
Date of retention:	Order retaining Kirkland & Ellis LLP <i>nunc pro tunc</i> entered on July 9, 2010 [Docket No. 66]
Period for which compensation and reimbursement is sought:	October 1, 2010 through October 31, 2010
Amount of compensation sought as actual, reasonable and necessary:	\$235,572.80 (80% of \$294,466.00)
Amount of expense reimbursement sought as actual, reasonable, and necessary:	\$21,205.77
This is a <u>X</u> monthly ___ interim ___ final application.	

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor's federal tax identification number, is: Corus Bankshares, Inc. (3592). The location of the Debtor's corporate headquarters and the service address for the Debtor is: 10 S. Riverside Plaza, Suite 1800, Chicago, IL 60606.

Below is a summary of the filed Applications:²

Date Filed	Period Covered	Total Requested (Fees and Expenses)	Total Allowed (Fees and Expenses)	Fee and Expenses Previously Paid
August 25, 2010 ³ Amended (Docket No. 124)	6/15/10 - 6/30/10	\$327,389.12	\$262,760.82	\$262,760.82
November 8, 2010 ⁴ Amended (Docket No. 221)	7/1/2010 - 7/31/2010	\$408,195.00	\$328,280.40	\$328,280.40
October 21, 2010 ⁵ (Docket No. 197)	8/1/10 - 8/31/10	\$519,367.30	\$418,408.70	\$418,408.70
First Interim Fee Request November 8, 2010 (Docket No. 222)	6/15/10 - 8/31/10	\$1,254,951.42	\$1,250,234.92 ⁶	\$245,501.50
December 3, 2010 ⁷ (Docket No. 255)	9/1/10 – 9/30/10	\$470,413.19	\$382,397.59	\$382,397.59

² Any capitalized terms not defined herein have the meaning ascribed to them in this Application.

³ On August 27, 2010, K&E filed the *Certification of No Objection Regarding the Amended First Application of Kirkland & Ellis LLP for Allowance of Administrative Claim for Compensation and Reimbursement of Expenses for the Interim Period June 15, 2010 Through June 30, 2010* [Docket No. 134].

⁴ On November 24, 2010, K&E filed the *Certification of No Objection Regarding the Amended Second Application of Kirkland & Ellis LLP for Allowance of Administrative Claim for Compensation and Reimbursement of Expenses for the Interim Period July 1, 2010 Through July 31, 2010* [Docket No. 250].

⁵ On November 8, 2010, K&E filed the *Certification of No Objection Regarding the Third Application of Kirkland & Ellis LLP for Allowance of Administrative Claim for Compensation and Reimbursement of Expenses for the Interim Period August 1, 2010 Through August 31, 2010* [Docket No. 215].

⁶ The fees and expenses requested in the June 15, 2010 through August 31, 2010 Applications were \$1,254,951.42. The Court disallowed \$4,716.50 in fees and approved the remaining fees and expenses requested on an interim basis pursuant to the order entered by this Court on December 16, 2010 [Docket No. 297].

⁷ On December 20, 2010, K&E filed the *Certification of No Objection Regarding the Third Application of Kirkland & Ellis LLP for Allowance of Administrative Claim for Compensation and Reimbursement of Expenses for the Interim Period September 1, 2010 Through September 30, 2010* [Docket No. 302].

Dated: January 10, 2011

KIRKLAND & ELLIS LLP

/s/ David R. Seligman, P.C.

James H.M. Sprayregen, P.C. (IL Bar No. 6190206)

David R. Seligman, P.C. (IL Bar No. 6238064)

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Counsel to the Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
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In re:)	
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CORUS BANKSHARES, INC. ¹)	Case No. 10-26881 (PSH)
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**FIFTH APPLICATION OF KIRKLAND & ELLIS LLP
FOR ALLOWANCE OF ADMINISTRATIVE CLAIM FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE
INTERIM PERIOD OCTOBER 1, 2010 THROUGH OCTOBER 31, 2010**

Pursuant to 11 U.S.C. §§ 327, 330, and 331; Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); the Retention Order (defined below); the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members* [Docket No. 67] (the “Interim Compensation Order”); the local bankruptcy rules for the United States Bankruptcy Court for the Northern District of Illinois (the “Local Bankruptcy Rules”); and the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330* (the “U.S. Trustee Guidelines”), the law firm of Kirkland & Ellis LLP (“K&E”), bankruptcy counsel for the above-captioned debtor and debtor in possession (the “Debtor”), hereby applies (this “Application”) for an order allowing it: (a) compensation in the amount of \$294,466.00 for the reasonable and necessary legal services K&E has rendered to the Debtor;

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor’s federal tax identification number, is: Corus Bankshares, Inc. (3592). The location of the Debtor’s corporate headquarters and the service address for the Debtor is: 10 S. Riverside Plaza, Suite 1800, Chicago, IL 60606.

and (b) reimbursement for the actual and necessary expenses that K&E incurred in the amount of \$21,205.77 for the period from October 1, 2010 through October 31, 2010 (the “Fee Period”).²

In support of this Application, K&E respectfully states as follows.

Jurisdiction and Venue

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. §157(b)(2).

2. Venue in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are 327, 330, and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Bankruptcy Rule 2016, and Local Bankruptcy Rule 5082-1.

Background

4. On June 15, 2010 (the “Petition Date”), the Debtor filed a voluntary petition with this Court under chapter 11 of the Bankruptcy Code. The Debtor is operating its business and managing its property as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in this chapter 11 case. On June 29, 2010, the United States Trustee for the Northern District of Illinois (the “U.S. Trustee”) appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code [Docket No. 39] (the “Committee”).

² Pursuant to section II.A.5. of the U.S. Trustee Guidelines, the Debtor has had an opportunity to review and approve the request for compensation and reimbursement for the actual and necessary expenses sought herein.

Retention of and Continuing Disinterestedness of Kirkland & Ellis LLP

5. By this Court's order dated July 9, 2010,³ the Debtor was authorized to retain K&E as its counsel effective as of the Petition Date, with regard to the filing and prosecution of this chapter 11 case and all related matters (the "Retention Order"). The Retention Order authorizes the Debtor to compensate K&E in accordance with the procedures set forth in the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Local Bankruptcy Rules, the U.S. Trustee Guidelines, and any applicable orders of this Court.

6. As disclosed in the *Declaration of David R. Seligman, P.C. in Support of the Application of the Debtor For Entry of an Order Authorizing the Employment and Retention of Kirkland & Ellis LLP as Attorneys for the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date* [Docket No. 27, Ex. B] (the "Seligman Declaration") filed on June 17, 2010, and the *Supplemental Declaration of David R. Seligman, P.C. in Support of the Application of the Debtor For Entry of an Order Authorizing the Employment and Retention of Kirkland & Ellis LLP as Attorneys for the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date* [Docket No. 139] (the "Supplemental Seligman Declaration", and together with the Seligman Declaration, the "Previous Declarations"), filed on September 1, 2010, K&E does not hold or represent any interest adverse to the Debtor's estate and is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code.

7. K&E may have in the past represented, may currently represent, and likely in the future will represent parties in interest in connection with matters unrelated to the Debtor in this

³ See *Order Authorizing the Employment and Retention of Kirkland & Ellis LLP as Attorneys for the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date* [Docket No. 66].

chapter 11 case. In the Previous Declarations, K&E disclosed its connections to parties in interest that it has been able to ascertain using its reasonable efforts. K&E will update the Previous Declarations, as necessary, if K&E becomes aware of relevant and material new information.

8. K&E performed the services for which it is seeking compensation on behalf of or for the Debtor and its estate and not on behalf of any committee, creditor, or other person.

9. Except as provided herein or in this Application, K&E has received no payment and no promises for payment from any source other than the Debtor for services rendered or to be rendered in any capacity whatsoever in connection with this chapter 11 case.

10. Pursuant to Bankruptcy Rule 2016(b), K&E has not shared, nor has K&E agreed to share: (a) any compensation it received or may receive with another person other than with the partners, counsel, and associates of K&E; or (b) any compensation another person or party has received or may receive.

Reasonable and Necessary Services Rendered by Kirkland & Ellis LLP – Generally

11. This is the fifth monthly application for interim compensation that K&E has filed with the Court in this chapter 11 case.

The K&E attorneys who rendered professional services during this Fee Period are:

Attorney	Position with the Applicant and Year Admitted		Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Matthew J. Antinossi	Partner	1999	Employee Benefits	\$670.00	2.50	\$1,675.00
Erin Broderick	Associate	2008	Restructuring	\$505.00	42.20	\$21,311.00
Daniel R. Brown	Associate	2009	Restructuring	\$445.00	45.60	\$20,292.00
Waldemar Colon	Associate	2006	Corporate	\$545.00	8.30	\$4,523.50
Keith S. Crow, P.C.	Partner	1986	Corporate	\$915.00	15.70	\$14,365.50
Edwin S. del Hierro, P.C.	Partner	1986	Corporate	\$915.00	9.20	\$8,418.00
Leslie Garthwaite	Associate	2008	Litigation	\$455.00	21.20	\$9,646.00
Jeffrey Gettleman	Partner	1974	Restructuring	\$680.00	117.60	\$82,148.50
				\$445.00	4.90	
Samuel M. Gross	Associate	2006	Restructuring	\$600.00	26.40	\$15,840.00
John F. Hartmann, P.C.	Partner	1987	Litigation	\$830.00	26.90	\$22,327.00
Brendan P. Herron	Associate	2009	Corporate	\$405.00	22.50	\$9,112.50

Attorney	Position with the Applicant and Year Admitted		Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Vicki V. Hood	Partner	1977	Employee Benefits	\$920.00	3.90	\$3,588.00
Micah E. Marcus	Partner	1999	Litigation	\$580.00	5.30	\$3,074.00
Todd F. Maynes, P.C.	Partner	1988	Taxation	\$995.00	2.10	\$2,089.50
Asha T. Mehrotra	Associate	2007	Litigation	\$495.00	7.40	\$3,663.00
Sean M. Powers	Associate	2009	Litigation	\$405.00	40.80	\$16,524.00
David Seligman, P.C.	Partner	1996	Restructuring	\$885.00	21.80	\$19,293.00
Janet S. Siegel	Of Counsel	1987	Restructuring	\$545.00	15.70	\$8,556.50
James H.M. Sprayregen, P.C.	Partner	1985	Restructuring	\$995.00	4.70	\$4,676.50
Totals for Attorneys					444.70	\$271,123.50

12. The K&E paraprofessionals who have rendered professional services during the Fee Period are:

Paraprofessional	Position with the Applicant and Number of Years in the Position		Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Andrew Brniak	Case Assistant	2 Years	Restructuring	\$155.00	24.70	\$3,828.50
Adam J. Gorman	Legal Assistant	4 Years	Restructuring	\$245.00	32.70	\$8,011.50
Nirupa A. Kartha	Legal Assistant	2 Years	Litigation	\$200.00	19.50	\$3,900.00
Maureen McCarthy	Legal Assistant	8 Years	Restructuring	\$245.00	5.80	\$1,421.00
Carrie Sroka	Legal Assistant	4 Months	Restructuring	\$215.00	22.10	\$4,751.50
Library Research	Research Specialist	N/A	Administrative Services	\$220.00	6.50	\$1,430.00
Totals					111.30	\$23,342.50

13. K&E has advised and represented the Debtor in connection with the operation of its business and all other matters arising in the performance of its duties as debtor in possession. Furthermore, K&E prepared various pleadings, motions, and other documents submitted to this Court for consideration, has appeared before this Court during omnibus and other hearings regarding this chapter 11 case, and has performed all of the other professional services that are described in this Application.

14. The rates described above are K&E's hourly rates for services of this type. The attached Exhibit A is a summary statement of the number of hours of service by each attorney and paraprofessional, hourly rate of each individual, and the total compensation attributable to each attorney or paraprofessional during the Fee Period. The attached Exhibit B is the detailed

itemization and description of the services that K&E rendered during the Fee Period. Based on these rates and the services performed by each individual during the Fee Period, the total reasonable value of such services rendered during the Fee Period is \$294,466.00. The K&E attorneys and paraprofessionals expended a total of 556.00 hours working on this chapter 11 case during the Fee Period. K&E's blended hourly rate for the services provided during the Fee Period was \$529.62. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given, among other things: (a) the complexity of this chapter 11 case; (b) the time expended; (c) the nature and extent of the services rendered; (d) the value of such services; and (e) the costs of comparable services other than in a case under the Bankruptcy Code.

15. Further, Exhibit B: (a) identifies the individuals that rendered services in each Subject Matter (as defined below); (b) describes each activity or service that each individual performed; (c) states the number of hours (in increments of one-tenth of an hour) spent by each individual providing the services; and (d) states the charge for each activity or service performed. Each matter number in Exhibit B corresponds to the matter number that K&E assigned to the Subject Matters (as defined and described below). If a Subject Matter does not appear, then K&E did not bill time or expenses for that Subject Matter during the Fee Period but may bill time for that Subject Matter in the future. The attached Exhibit C is a schedule of the total amount of fees incurred under each Subject Matter during the Fee Period.

**Reasonable and Necessary Services Rendered by Kirkland & Ellis LLP –
Categorized by Matter**

16. The professional services that K&E rendered during the Fee Period are grouped into the numbered and titled categories of the subject matters (each a “Subject Matter” and, collectively, the “Subject Matters”) described herein.

17. Matter 6 – Case Administration

(Fees: \$5,559.50⁴; Hours: 15.30)

This Subject Matter includes legal services not described under another matter. Specifically, K&E attorneys and paraprofessionals spent time, including, but not limited to: (a) assisting the Debtor in fulfilling its duties as debtor in possession; and (b) generally complying with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, orders of this Court, and other applicable laws. In addition, K&E attorneys and paraprofessionals spent time: (i) monitoring critical dates and work in progress to manage the case efficiently and ensure timely completion of open tasks; (ii) updating the postpetition pleading template to reflect ongoing Court orders and procedures; (iii) monitoring the addition of parties requesting service in the Chapter 11 Case; (iv) drafting and filing a revised master service list; and (v) analyzing issues relating to the Bankruptcy’s Court’s proposed new order form.

18. Matter 7 – Claims Administration and Objections

(Fees: \$7,277.00; Hours: 12.10)

This Subject Matter includes legal services related to the administration and resolution of claims against the Debtor. In particular, this Subject Matter includes time spent:

⁴ Fees set forth in this Subject Matter reflect a reduction in certain billing rates pursuant to an agreement with the U.S. Trustee.

(a) researching and analyzing issues relating to claims, including, but not limited to claims arising from the Debtor's Securities Litigation (as defined below), alleged damages claims, TOPrS claims, and D&O claims; (b) developing strategies relating to the resolution and objection to outstanding claims; (c) analyzing the *Order Granting Debtor's First Omnibus Objection to Certain Claims* [Docket No. 202]; and (d) corresponding with certain creditors and shareholders with respect to the foregoing.

19. Matter 8 – Contested Matters and Adversary Proceedings

(Fees: \$19,550.50; Hours: 31.00)

This Subject Matter includes time spent addressing contested matters filed in this chapter 11 case and matters relating to contested matters. Specifically, K&E attorneys spent time in connection with *Corus Bankshares, Inc. v. Tracy Jones, et al.*, Case No. 10-01357 [Docket No. 36], the adversary proceeding filed by the Debtor in connection with the class action litigation pending in the United States District Court for the Northern District of Illinois alleging various violations of the Securities Exchange Act (the "Securities Litigation"). Specifically, K&E spent time: (a) developing strategies and tactics with respect to the handling of the Securities Litigation; (b) analyzing documents for relevance and privilege issues in preparation for responding to discovery requests; (c) drafting privilege logs relating to the production documents; (d) analyzing issues relating to the appointment of a mediator; (e) analyzing issues relating to the expiration of the stay and drafting continuance motions with respect thereto; and (f) analyzing issues relating to the timing of removal of the state court litigation.

In addition, K&E attorneys spent time related to other adversary issues, including with respect to the investigation commenced by the Special Inspector General for the TARP program (the "SIGTARP") in connection with Corus Bank's application for TARP funds prior to

the Corus Bank receivership. Specifically, K&E attorneys spent time reviewing and analyzing outstanding issues relating to disclosure regulations and privilege issues in connection with the production of documents to the SIGTARP.

20. Matter 9 – Corporate and Securities Matters

(Fees: \$14,468.50; Hours: 18.50)

This subject matter includes time spent by K&E attorneys analyzing various corporate and securities issues facing the Debtor during the pendency of this chapter 11 case and advising the Debtor with respect thereto. Specifically, K&E attorneys spent time: (a) analyzing issues relating to the restructuring of certain of the Debtor's loans and the related regulations of the Securities and Exchange Commission; (b) researching and analyzing issues in connection with stock transfer agents; and (c) preparing for and participating in the October 28, 2010 telephone conference with the Debtor's board of directors regarding the status of this chapter 11 case and plan negotiations.

21. Matter 10 – Creditor Communications

(Fees: \$110,542.00; Hours: 203.50)

This Subject Matter includes time spent relating to creditor communications, including: (a) researching and responding to the diligence requests of the Committee's financial advisors, including with respect to the review of the board of directors' and board committee meeting minutes; (b) reviewing and redacting the board of directors' meeting minutes with respect to privilege issues in response to the Committee's request for their production; (c) researching and analyzing regulatory issues relating to the turnover of the board of directors' meeting minutes to the Committee; (d) drafting and filing the Debtor's *Emergency Routine Motion of the Debtor for Entry of an Order Pursuant to Bankruptcy Rule 2004* [Docket No.

199]; (e) analyzing the Debtor's current cash flow budget in response to questions raised by the Committee's professionals; (f) reviewing other issues to respond to questions from various creditors; and (g) corresponding with the Committee, its advisors, and certain shareholders with respect to the foregoing and with respect to ongoing activities in this chapter 11 case, including with respect to: (i) the Debtor's plan of reorganization (the "Plan"); (ii) issues relating to solicitation of the Plan; (iii) issues relating to the Debtor's various adversary proceedings; (iv) issues relating to directors' and officers' liability insurance ("D&O Insurance"); and (v) issues relating to the intra-company payment policy.

22. Matter 11 – Employee Issues

(Fees: \$6,365.00; Hours: 7.90)

This subject matter includes time spent by K&E attorneys and paraprofessionals analyzing a number of employee-related issues in the context of this chapter 11 case. Time spent in this Subject Matter includes: (a) researching and analyzing issues relating to pension funding and actions regarding employee pension plans; (b) revising the audit request of the Debtor's pension fund in preparation for filing forms pursuant to the annual reporting requirements of ERISA and the Internal Revenue Service; (c) drafting portions of the Debtors' disclosure statement (the "Disclosure Statement") relating to the Debtor's pension obligations; and (d) participating in conferences with the compensation committee of the Debtor's board of directors with respect to the foregoing.

23. Matter 13 – Regulatory Matters

(Fees: \$5,807.50; Hours: 18.30)

This Subject Matter relates to time spent reviewing and analyzing issues relating to regulatory matters. K&E attorneys spent time: (a) developing strategies relating to the handling of the regulatory matters facing the Debtor in this chapter 11 case; (b) researching and analyzing other bank holding company chapter 11 cases for pleadings and decisions relevant to this case; and (c) participating in telephone conferences with the Office of the Comptroller of Currency regarding confidentiality and disclosure issues in connection with the turnover of the Debtors' board of directors materials to the Committee.

24. Matter 14 – Fee and Employment Applications - Non-K&E

(Fees: \$4,513.00; Hours: 8.30)

This Subject Matter includes legal services related to retention and fee applications of the Debtor's advisors, other than K&E. Specifically, K&E attorneys and paraprofessionals spent time: (a) assisting Kinetic Advisors LLC ("Kinetic") with the preparation and filing of its fee application; (b) assisting Plante & Moran, PLLC ("Plante & Moran") in connection with the preparation and filing of its fee application; (c) researching and analyzing issues relating to the interim fee applications of the Debtor's professionals; and (d) corresponding with the Debtor's professionals with respect to the foregoing.

25. Matter 15 – Fee and Employment Applications - K&E

(Fees: \$8,815.50; Hours: 19.20)

This Subject Matter includes services performed by K&E in connection with K&E's retention and fee applications, including: (a) reviewing and revising the Debtor's invoices to ensure compliance with the Bankruptcy Code, the Interim Compensation Order, the

Bankruptcy Rules, the Local Bankruptcy Rules, and the U.S. Trustee Guidelines; (b) drafting and filing the Debtor's third monthly fee application; and (c) ensuring K&E's continued disinterestedness by following its comprehensive conflicts checking protocol.

26. Matter 16 – Hearings

(Fees: \$5,704.50; Hours: 13.90)

This Subject Matter includes legal services rendered in preparation for and attendance at the October 22, 2010 omnibus hearing and the October 28, 2010 hearing on the *Emergency Motion of the Debtor for Entry of an Order Pursuant to Bankruptcy Rule 2004* [Docket No. 199] regarding the turnover of the board of directors' and board committee meeting minutes to the Committee (the "Hearings"). Specifically, K&E attorneys and paraprofessionals performed services including, but not limited to: (a) drafting and revising agendas for filing prior to the Hearings; (b) preparing the necessary hearing binders, exhibits, and orders to be used in connection with the Hearings; and (c) attending and conducting the October 22, 2010 and October 28, 2010 hearings.

27. Matter 17 – Plan, Disclosure Statements

(Fees: \$23,583.00; Hours: 44.10)

This Subject Matter includes legal services related to the Debtor's Disclosure Statement and Plan, including: (a) developing strategies in connection with the formation of the Debtor's Plan; (b) drafting and revising the Debtor's Plan; (c) researching and analyzing issues relating to structuring a plan sponsor agreement; (d) researching and analyzing issues relating to the Debtor's Disclosure Statement; (e) drafting and revising the Debtor's Disclosure Statement; (f) researching and developing strategies with respect to alternative plan structures; (g) researching and analyzing issues relating to the timing of confirmation of the Debtor's Plan;

and (h) communicating with the Debtor's advisors and stakeholders with respect to the foregoing.

28. Matter 19 - Tax Issues

(Fees: \$2,779.50; Hours: 3.20)

This Subject Matter includes legal services related to the Debtor's tax obligations, including, but not limited to: (a) drafting and revising the tax sections of the Debtor's Disclosure Statement; (b) analyzing issues relating to payment of state taxes; and (c) analyzing issues relating to tax planning for the Debtor.

29. Matter 21 – U.S. Trustee Matters

(Fees: \$2,548.50; Hours: 4.70)

This Subject Matter includes time spent by K&E attorneys with respect to matters raised by the U.S. Trustee. In particular, K&E attorneys spent time: (a) communicating with the U.S. Trustee regarding the fee applications of K&E, Kinetic, and Plante & Moran and (b) editing and filing the *Debtor's Monthly Operating Report for the Period September 1, 2010 through September 30, 2010* [Docket No. 191].

30. Matter 22 – Tax Refund Litigation with FDIC

(Fees: \$16,922.00; Hours: 40.40)

This Subject Matter includes time spent by K&E attorneys researching and analyzing issues arising in connection with *Corus Bankshares, Inc. v. Federal Deposit Insurance Corporation*, Case No. 10-01362 [Docket No. 37], the adversary proceeding filed by the Debtor seeking a declaratory judgment as to the ownership of certain of the Debtor's tax refunds (the "Tax Refund Litigation"). In particular with respect to the Tax Refund Litigation, K&E attorneys spent time: (a) analyzing and developing strategies relating to the Tax Refund Litigation; (b) researching and analyzing the FDIC's *Reply in Support of Motion to Dismiss*

Complaint [Docket No. 28]; (c) analyzing issues relating to an intra-company tax sharing agreement; (d) researching and analyzing issues relating to the motion of the FDIC to withdraw the reference; and (e) researching and analyzing precedent in other bank holding bankruptcy cases relating to similar issues relevant to the Tax Refund Litigation.

31. Matter 23 – Insurance

(Fees: \$4,474.50; Hours: 8.70)

This Subject Matter relates to insurance issues facing the Debtor in this chapter 11 case. K&E attorneys spent time researching and analyzing issues relating to the Debtor's D&O Insurance, including with respect to post-effective date D&O Insurance coverage.

32. Matter 24 – Capital Structure Analysis

(Fees: \$55,555.50; Hours: 106.90)

This Subject Matter relates to time spent with respect to the solicitation and voting procedures in connection with the Debtor's Plan. In particular, during the Fee Period, K&E attorneys spent time: (a) analyzing issues relating to voting and solicitation procedures in connection with the holders of the Debtor's trust originated preferred shares and trustees for certain collateralized debt obligations; (b) analyzing issues related to voting and solicitation procedures in connection with trustees for certain collateralized debt obligations; (c) analyzing the documents produced in response to certain Rule 2004 subpoenas; (d) drafting the various notices, ballots, and other documents in connection with the Plan solicitation process; and (e) researching, drafting, and revising the Debtor's motion to approve the Debtors' proposed Plan solicitation procedures and related solicitation materials.

In addition, K&E attorneys spent time researching legal issues regarding the turnover of certain of the Debtors' board of directors' and board committee meeting minutes and

exhibits thereto to the Committee under Rule 2004. Specifically, during the Fee Period, K&E attorneys spent time: (a) conducting legal research regarding Rule 2004 and attorney-client privilege issues and bank regulatory privilege issues and (b) drafting and revising the *Emergency Motion of the Debtor for Entry of an Order Pursuant to Bankruptcy Rule 2004* [Docket No. 199] regarding the turnover of the board of directors' and board committee meeting minutes to the Committee.

Actual and Necessary Expenses

33. It is K&E's policy to charge its clients in all areas of practice for identifiable, non-overhead expenses incurred in connection with the client's case that would not have been incurred except for representation of that particular client. It is also K&E's policy to charge its clients only the amount actually incurred by K&E in connection with such items. Examples of such expenses are overnight mail, courier delivery, transportation, computer-assisted legal research, photocopying, airfare, meals, and lodging.

34. K&E has negotiated a discounted rate for Westlaw computer-assisted legal research, which is approximately \$125 per hour of online use for the standard Westlaw databases. Computer-assisted legal research is used whenever the researcher determines that using Westlaw is more cost-effective than using traditional (non-computer-assisted legal research) techniques.

35. A summary of expenses by type, as well as a detailed itemization and description of the disbursements made by K&E on the Debtor's behalf during the Fee Period, is attached hereto as Exhibit D. All of these disbursements comprise the requested sum for K&E's out-of-pocket expenses and total \$21,205.77.

Representations

36. Although every effort has been made to include all fees and expenses incurred in the Fee Period, some fees and expenses might not be included in this Application due to delays caused by accounting and processing during the Fee Period. K&E reserves the right to make further application to this Court for allowance of such fees and expenses not included herein. Subsequent fee applications will be filed in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and the Interim Compensation Order.

37. In summary, by this Application, K&E requests (a) interim allowance of fees and expenses in the total amount of \$315,671.77 and (b) payment of compensation from the Debtor for fees and expenses for a total amount of \$256,778.57 consisting of: (i) \$235,572.80 which is 80% of the fees incurred by the Debtor for reasonable and necessary professional services rendered by K&E; and (ii) \$21,205.77 for actual and necessary costs and expenses.

WHEREFORE, K&E requests that it be allowed reimbursement for its fees and expenses incurred during the Fee Period and that such fees and expenses be paid as administrative expenses of the estate.

Dated: January 10, 2011

KIRKLAND & ELLIS LLP

/s/ David R. Seligman, P.C.

James H.M. Sprayregen, P.C. (IL Bar No. 6190206)

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Counsel to the Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	
)	Chapter 11
)	
CORUS BANKSHARES, INC. ¹)	Case No. 10-26881 (PSH)
)	
Debtor.)	
)	

STATE OF ILLINOIS)	
)	
COUNTY OF COOK)	ss:

DECLARATION

David R. Seligman, P.C, hereby declare the following under penalty of perjury:

1. I am a partner with the applicant firm, Kirkland & Ellis LLP, and have been admitted to the Bar of the Supreme Court of Illinois since 1996.
2. I have personally performed certain of the legal services rendered by Kirkland & Ellis LLP as general bankruptcy counsel to the Debtor and am familiar with other work performed on behalf of the Debtor by the lawyers and other persons in the firm.
3. I have reviewed Local Bankruptcy Rule 5082-1 and the U.S. Trustee Guidelines and believe that the Application of Kirkland & Ellis LLP complies with such rule and guidelines. In addition, I believe that the Application of Kirkland & Ellis LLP reflects the comments of the U.S. Trustee made during the course of this chapter 11 case.

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor's federal tax identification number, is: Corus Bankshares, Inc. (3592). The location of the Debtor's corporate headquarters and the service address for the Debtor is: 10 S. Riverside Plaza, Suite 1800, Chicago, IL 60606.

4. I hereby certify that the Application does not seek reimbursement for secretarial overtime, word processing overtime, messenger services that exceed the costs of a third party messenger, local telephone charges, scanned images, facsimile charges, postage, local transportation (excluding airport transportation at the rate of \$45.00 per ride), overtime transportation, overtime meals, working meals with clients, working K&E meals (excluding travel meals), and that all airfare for which the Debtors seek reimbursement was either economy class or purchased at the economy-class rate. In addition, K&E has reduced photocopying charges from its standard rate of \$.15 per page to \$.10 per page.

5. The facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief.

/s/ David R. Seligman

David R. Seligman, P.C