

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

In re:)	Chapter 11
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CORUS BANKSHARES, INC. ¹)	Case No. 10-26881 (PSH)
)	
Debtor.)	
)	Hearing Date: June 16, 2010, 10:30 a.m., C.T.

**NOTICE OF MOTION OF THE DEBTOR FOR ENTRY OF INTERIM AND FINAL
ORDERS AUTHORIZING THE DEBTOR TO (A) CONTINUE USING ITS
EXISTING CASH MANAGEMENT SYSTEM, BANK ACCOUNTS AND
BUSINESS FORMS AND (B) MAINTAIN EXISTING INVESTMENT PRACTICES**

PLEASE TAKE NOTICE that on June 16, 2010 at 10:30 a.m., C.T. or as soon thereafter as counsel may be heard, we shall appear before the Honorable Pamela S. Hollis in Courtroom 644 in the United States Courthouse, 219 South Dearborn Street, Chicago, Illinois, or before any other judge who may be sitting in his/her place and stead, and present the attached **Motion of the Debtor for Entry of Interim and Final Orders Authorizing the Debtor to (A) Continue Using its Existing Cash Management System, Bank Accounts and Business Forms and (B) Maintain Existing Investment Practices** at which time and place you may appear if you so desire.

PLEASE TAKE FURTHER NOTICE that any objection must be filed with the Court by June 16, 2010 at 10:30 a.m., C.T. and served by such time on: (a) counsel to the Debtors; (b) 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; (c) counsel to any statutory committee appointed in this chapter 11 case; (d) the entities listed on the Consolidated List of Creditors Holding the 20 Largest Unsecured Claims; (e) counsel to the indenture trustee for each of the Debtor's subordinated debentures; (f) the Securities and Exchange Commission; (g) the Internal Revenue Service; (h) the Federal Deposit Insurance Corporation; (i) the United States Attorney for the Northern District of Illinois; (j) the Civil Process Clerk, United States Attorney's Office for the Northern District of Illinois; and (k) the Attorney General of the United States, Washington, D.C.

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: June 15, 2010

Respectfully Submitted,

/s/ David R. Seligman

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

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Proposed Counsel to the Debtor and Debtor in Possession

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

In re:

CORUS BANKSHARES, INC.¹

Debtor.

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Chapter 11

Case No. 10-26881 (PSH)

**MOTION OF THE DEBTOR FOR ENTRY OF INTERIM AND FINAL ORDERS
AUTHORIZING THE DEBTOR TO (A) CONTINUE USING ITS
EXISTING CASH MANAGEMENT SYSTEM, BANK ACCOUNTS AND
BUSINESS FORMS AND (B) MAINTAIN EXISTING INVESTMENT PRACTICES**

The above-captioned debtor and debtor in possession (the “Debtor”), files this motion (the “Motion”) for entry of interim and final orders, substantially in the forms attached hereto as Exhibit A and Exhibit B, respectively, authorizing the Debtor to: (a) continue using its existing cash management system, bank accounts, and business forms; and (b) maintain its existing investment practices. In support of the Motion, the Debtor respectfully states as follows:

Jurisdiction

1. The 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 §§ 105, 345, 363, 364, 1107 and 1108 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

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.

Background

4. On the date hereof (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, and no committees have been appointed or designated.

5. Contemporaneously with filing the voluntary petition and this Motion, the Debtor filed the *Declaration of Randy P. Curtis in Support of First Day Pleadings* (the “Curtis Declaration”), which provides a detailed description of the Debtor’s business, its reasons for filing this chapter 11 case, and the relief the Debtor is seeking to ensure a smooth transition into chapter 11.

Description of Debtor’s Current Cash Management System

6. In the ordinary course of business, the Debtor utilizes an integrated, centralized cash management system under which funds are drawn from certain investment accounts, collected by the Debtor and transferred to the JPM Disbursement Account (as defined herein), and disbursed to pay operating expenses (the “Cash Management System”).

7. The Debtor’s Cash Management System is managed primarily by the Debtor’s finance personnel at its corporate office in Chicago, Illinois. The Cash Management System enables the Debtor to (a) monitor, forecast, and report the Debtor’s cash position, (b) monitor disbursement of funds, (c) control balances on deposit in the Debtor’s accounts, and (d) move funds within the Debtor’s Cash Management System as necessary to meet the Debtor’s cash needs, all of which are required to effect movement of cash to support the Debtor’s business expenses. The Cash Management System consists of three accounts, the operation of which is described herein.

A. The Debtor's Existing Bank Accounts

8. As of the Petition Date, and as described in the Curtis Declaration, in the ordinary course of business the Debtor utilizes an integrated, centralized Cash Management System, under which the Debtor disburses funds.² The Debtor maintains three bank accounts at three different financial institutions (the "Banks"): JPMorgan Chase Bank ("JPM Disbursement Account"), Deutsche Bank Alex.Brown ("DB Holding Account"), and Deutsche Bank Trust Company Americas ("DB Trust Account," and collectively with the DB Holding Account and JPM Disbursement Account, the "Bank Accounts").

9. Each of the Banks, pursuant to the applicable account services or other similar agreement, charges the Debtor fees related to the Bank Accounts and for banking services performed by the Banks for the Debtor in connection with the Bank Accounts (the "Bank Fees").

B. Flow of Funds in the Debtor's Cash Management System

10. The Cash Management System supports operation of the Debtor's business. The transfer of funds through the Debtor's Cash Management System is described below and is illustrated in the flowchart attached hereto as Exhibit C.

11. The DB Trust Account is an interest-bearing money market account and holds most of the Debtor's cash. Interest earned on funds held in the DB Trust Account is reinvested into the DB Trust Account. DB Trust Account funds are invested in high quality AAA/Aaa or equivalent instruments, such as U.S. Treasury obligations or U.S. Government obligations.

12. The DB Holding Account is an interest-bearing account and is the source of funds used in the JPM Disbursement Account. When the Debtor writes checks or schedules disbursements to pay the operating expenses of the business, the Debtor's finance personnel

² Because the Debtor has no affiliates or related entities with which it shares bank accounts, all funds held in the Bank Accounts belong to the Debtor.

transfer funds from the DB Holding Account to the JPM Disbursement Account, as needed, for any check or other transfer drawn from the JPM Disbursement Account. The DB Holding Account commonly maintains a balance of approximately \$1 million. Any nominal interest earned from funds held in the DB Holding Account is deposited into the DB Holding Account.

13. The JPM Disbursement Account is a zero balance account, meaning that funds are not retained in this account on a regular basis. The JPM Disbursement Account is used to make payments drawn on the account by third party payees (*e.g.*, employees, consultants, tax payments) including by check, debit card, automated clearing house (“ACH”) or wire transfers.

14. There is a single debit card connected to the JPM Disbursement Account. The Debtor utilizes the debit card to make purchases of goods and services, such as office supplies and to pay cellular telephone bills. Pursuant to the agreements governing the use of such debit cards, JP Morgan Chase Bank (“Chase”) issues monthly invoices to the Debtor for debit card charges, and the Debtor makes periodic payments to Chase in payment of the invoices.

C. Benefits of the Cash Management System

15. The Debtor’s Cash Management System is similar to those commonly employed by corporate enterprises comparable to the Debtor. Indeed, businesses similar to the Debtor use such systems because of the benefits provided, including the ability to (a) quickly create status reports on the location and amount of funds, thereby allowing management to track and control corporate funds, (b) ensure cash availability, and (c) reduce administrative expenses by facilitating movement of funds. These controls are important because they will facilitate efficient administration of the Debtor’s chapter 11 case.

Relief Requested

16. By this Motion, the Debtor seeks entry of an order authorizing it to: (a) continue to use, with the same account numbers, its Bank Accounts in order to maintain the Debtor’s Cash

Management System; (b) treat the Bank Accounts for all purposes as accounts of the Debtor as debtor in possession; (c) open new debtor-in-possession accounts, if needed; (d) use, in their present form, all correspondence and business forms and other documents related to the Bank Accounts (the “Business Forms”) existing immediately before the date hereof, without reference to its status as debtor in possession; and (e) maintain its existing investment practices (the “Investment Practices”) in the ordinary course of business, notwithstanding the provisions of section 345 of the Bankruptcy Code and the Trustee Guidelines (as defined below).

17. The Debtor also requests that the Court authorize the Debtor to make disbursements in the ordinary course of business by debit, wire, credit card, purchase card, ACH, and other similar methods. If the Debtor were not able to conduct transactions by debit, wire, credit card, purchase card, ACH, or other similar methods, the Debtor might be unable to perform under certain contracts, its operations would be unnecessarily disrupted and its estate would incur additional costs. Indeed, certain federal and state taxing authorities require taxpayers to submit tax payments electronically through wire or ACH, and failure to do so would result in the imposition of penalties.

18. The Debtor further requests certain relief vis-à-vis the Banks. The Debtor requests that the Court authorize and direct all Banks with which the Debtor maintains the Bank Accounts to continue to maintain, service, and administer such accounts on account of (i) checks drawn on the Bank Accounts that are presented for payment at the Banks or exchanged for cashiers’ checks prior to the Petition Date; (ii) checks or other items deposited in the Bank Accounts prior to the Petition Date that have been dishonored or returned unpaid for any reason (including associated fees and costs), to the same extent the Debtor was responsible for such items prior to the Petition Date; and (iii) undisputed, outstanding service charges owed to the

Banks as of the Petition Date (as defined herein) on account of the maintenance of the Cash Management System, if any. In this regard, the Court should authorize and direct the Banks to receive, process, honor, and pay any and all checks, wire transfer, credit card, ACH, and other instructions, and drafts payable through, drawn or directed on such Bank Accounts after the Petition Date by holders, makers or other parties entitled to issue instructions with respect thereto; provided, however, that the Banks may honor any check, advice, draft, or other notification that the Debtor advised the Banks to have been drawn, issued or otherwise presented prior to the Petition Date only to the extent authorized by order of the Court.³

19. As described in greater detail below, the Debtor submits that the relief requested herein will help to ensure the Debtor's orderly entry into and administration in chapter 11. It also will avoid many of the possible disruptions and distractions that not only could divert the Debtor's attention from more pressing matters during the initial days of the chapter 11 case, but also could interfere with the operations of the Debtor's business upon commencement of the chapter 11 case. Finally, such relief will inure to the benefit of all stakeholders by facilitating the effectuation of the Debtor's reorganization plan promptly and exit bankruptcy on an accelerated basis.

Basis for Relief

A. Continued Use of the Debtor's Existing Bank Accounts Is Essential to the Debtor's Restructuring Efforts

20. The Trustee Guidelines (as defined below) require, among other things, that, unless the Court orders otherwise, a debtor must: (a) establish one debtor-in-possession account for all estate funds required for the payment of taxes (including payroll taxes); (b) close all

³ Contemporaneously herewith, the Debtor is filing a motion requesting Court authority to pay, in the ordinary course of business, certain prepetition obligations to its employees and directors in the form of wages and related benefits.

existing bank accounts and open new debtor-in-possession accounts; (c) maintain a separate debtor-in-possession account for cash collateral; and (d) obtain checks that bear the designation “debtor in possession” and reference the bankruptcy case number and type of account. See 3 United States Trustee Manual Chapter 11 Case Administration at 3-3.2.2 (hereinafter “Trustee Guidelines”).

21. Courts in this district often waive requirements of this type, recognizing they may harm a debtor’s postpetition business operations and restructuring efforts to an extent that is out of proportion to the benefit, if any, that such requirements provide to the debtor’s estate or parties in interest. See, e.g., In re Hartmarx Corp., No. 09-02046 (Bankr. N.D. Ill. Jan. 1, 2009) [Docket No. 40] (authorizing debtors to maintain existing cash management system and use existing business forms); In re The Kirk Corp., No. 09-17236 (Bankr. N.D. Ill. May 14, 2009) [Docket No. 21] (same); In re Kimball Hill, Inc., No. 08-10095 (Bankr. N.D. Ill. May 13, 2008) [Docket No. 170] (same); In re Select Snacks, Inc., No. 07-18769 (Bankr. N.D. Ill. Oct. 18, 2007) [Docket No. 62] (same); In re McLeodUSA Inc., No. 05-63230 (Bankr. N.D. Ill. Oct. 31, 2005) [Docket No. 36] (same); In re Nat’l Steel Corp., No. 02-08699 (Bankr. N.D. Ill. Mar. 6, 2002) [Docket No. 45] (same); In re Kmart Corp., No. 02-02474 (Bankr. N.D. Ill. Jan. 25, 2002) [Docket No. 144] (same); In re Comdisco, Inc., No. 01-24795 (Bankr. N.D. Ill. July 17, 2001) [Docket No. 114] (same); In re Outboard Marine Corp., No. 00-37405 (Bankr. N.D. Ill. Jan. 4, 2001) [Docket No. 153] (same); In re SourceOne Wireless, Inc., No. 99-13841 (Bankr. N.D. Ill. May 6, 1999) [Docket No. 55] (same).

22. Bankruptcy courts in other districts also routinely grant chapter 11 debtors authority to continue utilizing existing or modified cash management systems, treating a request for such authority as a relatively “simple matter,” In re Baldwin-United Corp., 79 B.R. 321, 327

(Bankr. S.D. Ohio 1987), or as a “matter of convenience.” In re Colad Group, 324 B.R. 208, 216 (Bankr. W.D.N.Y. 2005). In granting such relief, courts recognize that an integrated cash management system “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash.” In re Columbia Gas Sys., Inc., 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff’d* in relevant part, 997 F.2d 1039, 1061 (3d Cir. 1993). The requirement to maintain all accounts separately “would be a huge administrative burden and economically inefficient.” Columbia Gas, 997 F.2d at 1061; *see also* In re Southmark Corp., 49 F.3d 1111, 1114 (5th Cir. 1995) (stating that cash management system allows debtor “to administer more efficiently and effectively its financial operations and assets”).

23. Consistent with the foregoing precedent, the Debtor seeks authority for continued use of its Cash Management System, including continued use of its existing Bank Accounts, with the same names and account numbers as existed immediately prior to the chapter 11 case. The relief is even more appropriate in the context of this proceeding, which does not involve many bank accounts and is expected to be relatively short in duration.

24. The Debtor reserves its rights to use its discretion to close the Bank Accounts and open new accounts as may be necessary in the Debtor’s business judgment, in the ordinary course of its business and consistent with any orders of the Court. To prevent any risk of prejudice, the Debtor will give notice to the U.S. Trustee and any official committees that may be appointed in this chapter 11 case prior to opening a new bank account or closing a Bank Account, as well as including such information, as required, in its Monthly Operating Reports filed with the Court. The Trustee Guidelines also require debtors to deposit funds held in any bank account in excess of \$100,000 in an account that complies with the requirements of section

345(b). See Trustee Guidelines at 3-2.7.1. The Debtor is seeking a waiver of this requirement together with the relief from the other deposit and investment requirements of section 345 of the Bankruptcy Code.

B. Opening New Accounts and Establishing a New Cash Management System Will Cause Substantial Disruption to the Debtor's Business

25. The requested relief is appropriate because a successful reorganization of the Debtor's business, as well as the preservation and enhancement of the Debtor's value as a going concern entity, would be harmed if the Cash Management System is substantially disrupted and the Bank Accounts are required to be closed and new accounts opened. The Debtor's continued use of its Cash Management System will greatly facilitate the Debtor's transition into chapter 11 by, among other things, avoiding administrative inefficiencies and expenses and minimizing delays in payment of postpetition debts. Given the Debtor's current efficient Cash Management System, it would be difficult, burdensome, and disruptive to the Debtor's operations if the Debtor was required to close existing accounts, open new accounts, and establish an entirely new cash management system. In addition, requiring the Debtor to maintain separate accounts for payroll and collateral would decentralize its Cash Management System, which would require additional bank fees and could cause further disruption and impose additional burdens on the Debtor's limited personnel.⁴

26. If the Debtor was required to open new debtor in possession accounts and rearrange its existing Cash Management System, the Debtor's finance personnel would be forced to spend significant amounts of time on the closing and opening of accounts, rather than on their daily responsibilities. As the Debtor only has five employees, there are only a few individuals

⁴ Also, since the Debtor has no secured lenders, it will not use any cash collateral during the pendency of these proceedings.

available to focus on this issue, in derogation of their other responsibilities. Additional burdens, such as requirements that the Debtor execute new account signatory cards, create new depository agreements, and create an entirely new manual system for issuing checks and paying postpetition obligations would be required by the Trustee Guidelines. See Trustee Guidelines 3-2.2.2.

C. Maintaining the Existing Cash Management System Facilities a Smooth Transition into Chapter 11 and Does Not Harm Parties in Interest

27. By contrast, maintaining the Bank Accounts would greatly facilitate the Debtor's transition in connection with operating under chapter 11 by, among other things, avoiding administrative inefficiencies and expenses and minimizing delays in paying debts incurred postpetition. Thus, the Debtor believes it would be beneficial and cost-effective to continue to maintain the existing Bank Accounts and, as necessary, to open new accounts or close existing accounts in the ordinary course of business operations. This relief is especially appropriate given the Debtor's intent to administer a relatively short bankruptcy case, with an attendant expedited schedule for exiting the bankruptcy process.

28. Importantly, parties in interest would not be harmed by the Debtor's maintenance of the existing Cash Management System, including the Bank Accounts, because the Debtor has implemented appropriate mechanisms to ensure that payments will not be made on any debts incurred by them before the Petition Date, other than those authorized by the Court, and to eliminate the risk of other errors or misunderstandings. Specifically, the Debtor's finance personnel (in addition to Kinetic Advisors, LLC ("Kinetic"), which the Debtor has sought to employ as financial advisor in this chapter 11 case pursuant to an application filed substantially contemporaneously herewith) are aware of, and will comply with, the Bankruptcy Code and the Trustee Guidelines unless modified by the Court. In addition, the Debtor's personnel will

consult with Kinetic and the Debtor's other advisors and bankruptcy counsel as appropriate in connection with payment approvals.

29. To further ensure that no parties in interest are harmed, the Debtor will ensure that prepetition checks are not honored except as provided herein or pursuant to further order of the Court. To do so, the Debtor will serve a copy of this Motion with exhibits and any order entered approving the relief requested herein on the Banks that make disbursements under the Cash Management System as soon as practicable. The Debtor also will serve upon such Banks a copy of any orders entered by the Court authorizing the Debtor to honor prepetition obligations.

30. In light of such protective measures and the extremely limited personnel resources of the Debtor, the Debtor submits that maintaining the Cash Management System is in the best interest of its estate and creditors. Indeed, the Debtor believes preserving the "business as usual" atmosphere and avoiding unnecessary distractions that would inevitably be associated with any substantial disruption in the Cash Management System will facilitate the Debtor's overall reorganization efforts, as well as to allow it to promptly implement its reorganization plan for the benefit of the Estate.

D. The Debtor Should Be Granted Authority to Continue to Use Existing Business Forms

31. The Trustee Guidelines requires that the debtor-in-possession use "checks and statements" that are "imprinted with the phrase "Debtor in Possession." See Trustee Guidelines at 3-3.2.2. In the ordinary course of business, the Debtor uses a multitude of Business Forms. To minimize expense to the estate, the Debtor believes it is appropriate for it to continue to use all correspondence and Business Forms as such forms were in existence immediately before the Petition Date—without reference to the Debtor's status as debtor-in-possession—rather than requiring the Debtor to incur the expense and delay of ordering entirely new forms. The Debtor

also believes it will minimize expenses to the estate if it is permitted to use its existing check stock. This relief is especially appropriate given the short duration that the Debtor expects for the chapter 11 case. Also, because the few parties doing business with the Debtor undoubtedly will be aware of the Debtor's status as a debtor-in-possession, changing Business Forms would be unnecessary and unduly burdensome. In addition, all known creditor parties will be sent notices of the commencement of this case and such notices will also appear in appropriate publications.

32. In other cases, courts in this district and others have allowed debtors to use their prepetition business forms without the "debtor in possession" label — at least until the debtors' existing business form stock was depleted. See, e.g., In re Hartmarx Corp., No. 09-02046 (Bankr. N.D. Ill. Jan. 1, 2009) [Docket No. 40]; In re The Kirk Corp., No. 09-17236 (Bankr. N.D. Ill. May 14, 2009) [Docket No. 21]; In re Kimball Hill, Inc., No. 08-10095 (Bankr. N.D. Ill. May 13, 2008) [Docket No. 170]; In re Dura Auto. Sys., Inc., No. 06-11202 (Bankr. D. Del. Nov. 21, 2006) [Docket No. 272]; In re Calpine Corp., No. 05-60200 (Bankr. S.D.N.Y. Jan. 25, 2006) [Docket No. 629]; In re McLeodUSA Inc., No. 05-63230 (Bankr. N.D. Ill. Oct. 31, 2005) [Docket No. 33]; In re Nat'l Steel Corp., No. 02-08699 (Bankr. N.D. Ill. Mar. 6, 2002) [Docket No. 45]; In re Kmart Corp., No. 02-02474 (Bankr. N.D. Ill. Jan. 25, 2002) [Docket No. 144]; In re Comdisco Inc., No. 01-24795 (Bankr. N.D. Ill. July 17, 2001) [Docket No. 114]; In re Outboard Marine Corp., No. 00-37405 (Bankr. N.D. Ill. Jan. 4, 2001) [Docket No. 153]. Accordingly, such relief here is appropriate under the facts and circumstances of this case.

E. The Debtor Should be Allowed to Continue its Investment Practices

33. Section 345(a) of the Bankruptcy Code authorizes a debtor in possession to deposit or invest assets of the estates, such as cash, as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C.

§ 345(a). While section 345(b) of the Bankruptcy Code generally requires that, with respect to investments other than investments “insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States,” the estate must require a bond in favor of the United States secured by the undertaking of a United States Trustee approved corporate surety, section 345(b) of the Bankruptcy Code also allows the court to dispense with this limitation “for cause.” 11 U.S.C. § 345(b); see In re Service Merch. Co., 240 B.R. 894, 897 (Bankr. M.D. Tenn. 1999) (concluding that “cause” existed to waive the requirements of section 345 because the debtors were “large, sophisticated [companies] with a complex cash management system,” and the benefit of waiving the requirements of section 345(b) far outweighed any potential harm to the estate, and “would ‘needlessly handcuff’ [the] debtors’ reorganization efforts”).

34. The Trustee Guidelines require the U.S. Trustee to establish procedures that will ensure that a debtor complies with section 345(a) of the Bankruptcy Code to protect estate funds from loss. Trustee Guidelines at 3-2.7.1. In compliance with that obligation, the U.S. Trustee for the Bankruptcy Court of the Northern District of Illinois, Eastern Division, has established a list of authorized depositories as of May 2010 (the “Authorized Depositories”). Chase, at which the JPM Disbursement Account is maintained, is one of the Authorized Depositories. Neither Deutsche Bank Alex.Brown nor Deutsche Bank Trust Company Americas are included on the list of Authorized Depositories, but neither is a risky investment. Deutsche Bank Trust Company Americas is an FDIC-insured institution and funds held at Deutsche Bank Alex.Brown are carefully monitored by sophisticated financial personnel, both at Deutsche Bank Alex.Brown and by the Debtor’s finance personnel. Although these Investment Practices may deviate slightly from the approved investment guidelines identified in section 345 of the Bankruptcy Code and

the Trustee Guidelines, in each case, such deposits and investments are nevertheless safe, prudent, and designed to yield the maximum reasonable net return on the funds invested, taking into account the safety of such deposits and investments.

35. In addition to the foregoing, as part of its Cash Management System, the Debtor adheres to its Investment Practices, which have the primary goal of protecting principal and a secondary goal of maximizing stability and liquidity. In the ordinary course of business, all interest earned on funds held in the DB Trust Account are reinvested in identical money market funds, which is invested in high-quality fund instruments with ratings of AAA/Aaa or equivalent, such as U.S. Treasury obligations or U.S. Government obligations. Similarly, in the ordinary course of business, all interest earned on funds held in the DB Holding Account is re-deposited into the DB Holding Account, which as noted above, is FDIC-insured. The Debtor seeks a waiver of the requirement that it alter its current Investment Practices.

36. Courts in this district have granted relief similar to that requested herein. See, e.g., In re Kimball Hill, Inc., et al., No. 08-10095 (Bankr. N.D. Ill. May. 13, 2008) [Docket No. 170]; In re Enesco Group, Inc., No. 07-00565 (Bankr. N.D. Ill. Jan. 22, 2007) [Docket No. 80]; In re Dade Behring Holdings, Inc., No. 02-29020 (Bankr. N.D. Ill. Aug. 1, 2002) [Docket No. 86]; In re Nat'l Steel Corp., No. 02-08699 (Bankr. N.D. Ill. Mar. 6, 2002) [Docket No. 45]; In re Kmart Corp., Case No. 02-02474 (Bankr. N.D. Ill. Jan. 25, 2002) [Docket No. 144]. The Debtor respectfully submits that similar relief is warranted in this chapter 11 case.

37. The Debtor believes that “cause” exists to allow the Debtor to continue the Investment Practices without having to meet the bond requirements of section 345(b) of the Bankruptcy Code and without requiring the Debtor to transfer funds held in excess of \$100,000 to new accounts. First, interest earned on funds held in the DB Trust Account and the DB

Holding Account are conservatively invested. Second, it is likely impossible for the Debtor to bond the Investment Practices without incurring considerable costs to the detriment of the Debtor's estate and creditors. Third, while it may not fully comply with the strict requirements of section 345(b) of the Bankruptcy Code, the Debtor has structured the Investment Practices to comport with the investment objectives of section 345(a) of the Bankruptcy Code insofar as they are prudent and have a primary goal of protecting principal and a secondary goal of maximizing stability and liquidity. Accordingly, pursuant to section 345 of the Bankruptcy Code, the Debtor requests a waiver of compliance with the requirements of section 345 of the Bankruptcy Code.

The Requirements of Bankruptcy Rule 6003(b) Have Been Satisfied

38. Pursuant to Bankruptcy Rule 6003, the Court may grant relief regarding a motion to pay all or part of a prepetition claim within 21 days after the Petition Date if the relief is necessary to avoid immediate and irreparable harm. Immediate and irreparable harm exists where the absence of relief would impair a debtor's ability to reorganize or threaten the debtor's future as a going concern. See In re Ames Dep't Stores, Inc., 115 B.R. 34, 36 n.2 (Bankr. S.D.N.Y. 1990) (discussing the elements of "immediate and irreparable harm" in relation to Bankruptcy Rule 4001).

39. As described above, Bankruptcy Rule 6003(b) empowers a court to grant relief within the first 21 days after the Petition Date "to the extent that relief is necessary to avoid immediate and irreparable harm." Ultimately, any disruption to the Cash Management System or Bank Accounts would seriously harm the Debtor and its estate and unacceptably burden the Debtor's personnel. Accordingly, the Debtor submits that it meets the "immediate and irreparable harm" standard of Bankruptcy Rule 6003(b).

Reservation of Rights

40. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtor, a waiver of the Debtor's rights to dispute any claim, or an approval or assumption of any agreement, contract or lease under section 365 of the Bankruptcy Code. The Debtor expressly reserves its rights to contest any claim, or an approval or assumption of any agreement or contract under section 365 of the Bankruptcy Code. The Debtor expressly reserves its rights to contest any invoice or claim with respect to any obligation described herein in accordance with applicable non-bankruptcy law. Likewise, if this Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtor's rights to dispute such claim subsequently.

Notice

41. The Debtor has provided notice of this Motion to: (a) the Office of the United States Trustee for the Northern District of Illinois; (b) the entities listed on the Consolidated List of Creditors Holding the 20 Largest Unsecured Claims; (c) counsel to the indenture trustee for each of the Debtor's subordinated debentures; (d) the Securities and Exchange Commission; (e) the Internal Revenue Service; (f) the Federal Deposit Insurance Corporation; (g) all Banks affected by this Motion; (h) the United States Attorney for the Northern District of Illinois; (i) the Civil Process Clerk, United States Attorney's Office for the Northern District of Illinois; and (j) the Attorney General of the United States, Washington, D.C. In light of the nature of the relief requested, the Debtor respectfully submits that no further notice is necessary.

No Prior Request

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

WHEREFORE, for the reasons set forth herein and in the Curtis Declaration, the Debtor respectfully requests that the Court enter an interim order, substantially in the form attached hereto as Exhibit A, granting the relief requested herein and such other and further relief as the Court deems appropriate.

Dated: June 15, 2010

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)

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Proposed Counsel to the Debtor and Debtor in Possession

EXHIBIT A

Proposed Interim Order

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

In re:

CORUS BANKSHARES, INC.,¹

Debtor.

)
) Chapter 11
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) Case No. 10-26881 (PSH)
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**INTERIM ORDER AUTHORIZING THE DEBTOR TO (A) CONTINUE USING
ITS EXISTING CASH MANAGEMENT SYSTEM, BANK ACCOUNTS AND BUSINESS
FORMS AND (B) MAINTAIN EXISTING INVESTMENT PRACTICES**

Upon the motion, dated June 15, 2010 (the “Motion”)², of Corus Bankshares, Inc., as debtor and debtor in possession (the “Debtor”), for the entry of an interim order (this “Order”) authorizing, but not directing, the Debtor to: (a) continue using the existing cash management system, bank accounts and business forms and (b) maintain the existing Investment Practices; and upon the Declaration of Randy P. Curtis in Support of First Day Pleadings; and the Court having found that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of the Debtor’s estate, its creditors and other parties in interest; and the Debtor having provided appropriate notice under the circumstances of the Motion and the opportunity for a hearing on the Motion, and that no other or further notice is

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.

² All capitalized terms used but otherwise not defined herein shall have the meaning set forth in the Motion.

required; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court (the “Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.
2. The Debtor is authorized, but not directed, to continue using the Cash Management System as described in the Motion.
3. The final hearing on the relief requested in the Motion shall be on _____, 2010 at ____:____ a.m./p.m. (prevailing Central Time). The deadline by which objections to the entry of the Final Order must be filed is _____, 2010 at 4:00 p.m. (prevailing Central Time) and served on (a) proposed counsel to the Debtor; (b) office of the United States Trustee for the Northern District of Illinois; (c) the entities listed on the consolidated list of Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); and (d) those parties that have formally appeared and requested service in these proceedings pursuant to Bankruptcy Rule 2002. If no objections are timely filed, the Court may enter the Final Order without further notice of hearing pursuant to Local Rule 9013-9.
4. The Debtor is authorized to: (a) continue to use, with the same account numbers, the Bank Accounts in existence on the Petition Date, including, without limitation, those accounts identified on Exhibit 1 hereto; (b) treat the Bank Accounts for all purposes as accounts of the Debtor as debtor in possession; (c) if needed, open new debtor-in-possession accounts; provided, however, that the Debtor shall give notice to the Office of the United States Trustee for the Northern District of Illinois and any statutory committees appointed in this chapter 11 case

prior to opening a new bank account or closing a Bank Account; (d) deposit funds into and withdraw funds from such Bank Accounts by all usual means, including, without limitation, checks, wire transfers, ACH and debit card; and (e) use, in their present form, all correspondence and business forms (including, without limitation, letterhead and checks), and other documents related to the Bank Accounts, without reference to its status as debtor in possession.

5. Except as otherwise expressly provided in this order, the Banks are authorized to continue to treat, service, and administer the Bank Accounts as accounts of the Debtor as debtor in possession, without interruption and in the ordinary course of business, and to receive, process, honor and pay any and all checks, drafts, wires and ACH transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be.

6. The Banks are authorized to debit the Debtor's accounts in the ordinary course of business without the need for further order of this Court on account of: (a) all checks drawn on the Debtor's accounts which are cashed at such Banks' counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (b) all checks or other items deposited in one of the Debtor's accounts with such Banks prior to the Petition Date that have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to the Petition Date; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

7. Notwithstanding any other provision of this Order, any Bank may rely on the representations of the Debtor with respect to whether any check, draft, wire or other transfer drawn or issued by the Debtor prior to the Petition Date should be honored pursuant to any order of this Court, and no Bank that honors a prepetition check or other item drawn on any account

that is the subject of this Order (a) at the direction of the Debtor or (b) in good faith belief that the Court has authorized such prepetition check or item to be honored, shall be deemed to be liable to the Debtor or its estate or otherwise in violation of this Order.

8. The Banks are authorized to charge, and the Debtor is authorized to pay, honor or allow the Bank Fees, and charge back returned items to the Bank Accounts in the ordinary course.

9. For any bank at which the Debtor holds an account that is one of the Authorized Depositories maintained by the Office of the United States Trustee for the Northern District of Illinois, the Debtor shall within 15 days of the date of entry of this Order (a) contact each bank, (b) provide the Debtor's employer identification number and (c) identify each of its accounts as being held by a debtor in possession in a bankruptcy case.

10. The Debtor, having shown sufficient cause under section 345(b) of the Bankruptcy Code for an interim waiver of the subsection's requirements, is authorized to continue the Investment Practices until a final hearing is held on this matter.

11. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion.

12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the local rules of the Court are satisfied by such notice.

13. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

14. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

15. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

16. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

Dated: _____, 2010
Chicago, Illinois

United States Bankruptcy Judge

EXHIBIT 1

Bank Accounts

Legal Entity	Bank	Account Type	Account Number	Bank Address
Corus Bankshares, Inc.	JPMorgan Chase Bank	Disbursement	XXXXXXXX6743	JPMorgan Chase Bank, Columbus, OH 43271
Corus Bankshares, Inc.	Deutsche Bank Alex.Brown	Investment	XXX-XX1430	One Pickwick Plaza, 3rd Floor, Greenwich, CT 06830
Corus Bankshares, Inc.	Deutsche Bank Trust Company Americas	Investment	XX-XXX-581	60 Wall Street New York, NY 10005

EXHIBIT B

Proposed Final Order

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

In re:

CORUS BANKSHARES, INC.,¹

Debtor.

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) Chapter 11

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) Case No. 10-26881 (PSH)

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**FINAL ORDER AUTHORIZING THE DEBTOR TO (A) CONTINUE USING
ITS EXISTING CASH MANAGEMENT SYSTEM, BANK ACCOUNTS AND BUSINESS
FORMS AND (B) MAINTAIN EXISTING INVESTMENT PRACTICES**

Upon the motion, dated June 15, 2010 (the “Motion”)², of Corus Bankshares, Inc., as debtor and debtor in possession (the “Debtor”), for the entry of an interim order (this “Order”) authorizing, but not directing, the Debtor to: (a) continue using the existing cash management system, bank accounts and business forms and (b) maintain the existing Investment Practices; and upon the Declaration of Randy P. Curtis in Support of First Day Pleadings; and the Court having found that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of the Debtor’s estate, its creditors and other parties in interest; and the Debtor having provided appropriate notice under the circumstances of the Motion and the opportunity for a hearing on the Motion, and that no other or further notice is

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.

² All capitalized terms used but otherwise not defined herein shall have the meaning set forth in the Motion.

required; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court (the “Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtor is authorized, but not directed, to continue using the Cash Management System as described in the Motion.
3. The Debtor is authorized to: (a) continue to use, with the same account numbers, the Bank Accounts in existence on the Petition Date, including, without limitation, those accounts identified on Exhibit 1 hereto; (b) treat the Bank Accounts for all purposes as accounts of the Debtor as debtor in possession; (c) if needed, open new debtor-in-possession accounts; provided, however, that the Debtor shall give notice to the Office of the United States Trustee for the Northern District of Illinois and any statutory committees appointed in this chapter 11 case prior to opening a new bank account or closing a Bank Account; (d) deposit funds into and withdraw funds from such Bank Accounts by all usual means, including, without limitation, checks, wire transfers, ACH and debit card; and (e) use, in their present form, all correspondence and business forms (including, without limitation, letterhead and checks), and other documents related to the Bank Accounts, without reference to its status as debtor in possession.
4. Except as otherwise expressly provided in this order, the Banks are authorized to continue to treat, service, and administer the Bank Accounts as accounts of the Debtor as debtor in possession, without interruption and in the ordinary course of business, and to receive,

process, honor and pay any and all checks, drafts, wires and ACH transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be.

5. The Banks are authorized to debit the Debtor's accounts in the ordinary course of business without the need for further order of this Court on account of: (a) all checks drawn on the Debtor's accounts which are cashed at such Banks' counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (b) all checks or other items deposited in one of the Debtor's accounts with such Banks prior to the Petition Date that have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to the Petition Date; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

6. Notwithstanding any other provision of this Order, any Bank may rely on the representations of the Debtor with respect to whether any check, draft, wire or other transfer drawn or issued by the Debtor prior to the Petition Date should be honored pursuant to any order of this Court, and no Bank that honors a prepetition check or other item drawn on any account that is the subject of this Order (a) at the direction of the Debtor or (b) in good faith belief that the Court has authorized such prepetition check or item to be honored, shall be deemed to be liable to the Debtor or its estate or otherwise in violation of this Order.

7. The Banks are authorized to charge, and the Debtor is authorized to pay, honor or allow the Bank Fees, and charge back returned items to the Bank Accounts in the ordinary course.

8. For any bank at which the Debtor holds an account that is one of the Authorized Depositories maintained by the Office of the United States Trustee for the Northern District of

Illinois, the Debtor shall within 15 days of the date of entry of this Order (a) contact each bank, (b) provide the Debtor's employer identification number and (c) identify each of its accounts as being held by a debtor in possession in a bankruptcy case.

9. The Debtor, having shown sufficient cause under section 345(b) of the Bankruptcy Code for a waiver of the subsection's requirements, is authorized to continue the Investment Practices.

10. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion.

11. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the local rules of the Court are satisfied by such notice.

12. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

13. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

14. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

15. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

Dated: _____, 2010
Chicago, Illinois

United States Bankruptcy Judge

EXHIBIT 1

Bank Accounts

Legal Entity	Bank	Account Type	Account Number	Bank Address
Corus Bankshares, Inc.	JPMorgan Chase Bank	Disbursement	XXXXXXXX6743	JPMorgan Chase Bank, Columbus, OH 43271
Corus Bankshares, Inc.	Deutsche Bank Alex.Brown	Investment	XXX-XX1430	One Pickwick Plaza, 3rd Floor, Greenwich, CT 06830
Corus Bankshares, Inc.	Deutsche Bank Trust Company Americas	Investment	XX-XXX-581	60 Wall Street New York, NY 10005

EXHIBIT C

Prepetition Cash Management System

EXHIBIT C

FLOW OF DEBTOR'S FUNDS

