

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)	Chapter 11
)	
)	Case No. 10-26881 (PSH)
CORUS BANKSHARES, INC., ¹)	
)	
Debtor.)	Objection Deadline: November 25, 2011, 4:00 p.m., C.T.

**NOTICE OF FEE APPLICATION OF U.S. BANK NATIONAL ASSOCIATION,
IN ITS CAPACITY AS SUCCESSOR TOPrS INDENTURE TRUSTEE, FOR
PAYMENT OF TOPrS INDENTURE TRUSTEE FEES (TOPRS TRUSTS I, III AND V)**

PLEASE TAKE NOTICE that on November 4, 2011, the **Fee Application of U.S. Bank National Association in its Capacity as Successor TOPrS Indenture Trustee for Payment of TOPrS Indenture Trustee Fees (TOPrS Trusts I, III and V)** (the “**Application**”) was filed by U.S. Bank National Association (through counsel) 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, pursuant to Article IV.D.3 of *The Debtor’s Third Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (With Technical Modifications)* [ECF No. 689-1] (the “Plan”), the TOPrS Indenture Trustee seeks allowance of its TOPrS Indenture Trustee Fees, as reasonable, in the amount of \$245,885.29.

PLEASE TAKE FURTHER NOTICE that any objection must be filed with the Court by **November 25, 2011 at 4:00 p.m., C.T.** and served by such time on: (a) Shipman & Goodwin LLP, One Constitution Plaza, Hartford, Connecticut 06103, Attn: Marie Pollio, Esq.; Kaye Scholer LLP, 3 First National Plaza, 70 West Madison Street, Suite 4100, Attn: Michael Messersmith, Esq. and Jason J. Ben, Esq.; (c) counsel to the Official Committee of Unsecured Creditors, Attn: Todd C. Meyers, Esq. and Deborah M. Gutfeld, Esq.; (d) the Debtor: Corus Bankshares, Inc., 10 S. Riverside Plaza, Suite 1800, Chicago, IL 60606, Attn: Chief Financial Officer; (e) counsel to the Debtor; and (f) the Office of the United States Trustee for the Northern District of Illinois, 219 South Dearborn Street, Suite 873, Chicago, Illinois 60604, Attn: M. Gretchen Silver.

PLEASE TAKE FURTHER NOTICE that a hearing on the Application will be held on **December 1, 2011 at 10:30 a.m., C.T.** at the Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois 60604 before the Honorable Pamela S. Hollis, or any judge sitting in her stead, in Room 644, at which time and place you may attend and be heard with

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). Prior to the Effective Date, the location of the Debtor’s corporate headquarters and the service address for the Debtor was: 10 S. Riverside Plaza, Suite 1800, Chicago, IL 60606.

respect to the Application. Should you wish to review the Application, please be advised that the Application has been filed with the U.S. Bankruptcy Court and you may review the Application through the court's electronic docket or by contacting the undersigned counsel at (312) 583-2300 for a copy of the Application.

Dated: November 4, 2011

Respectfully submitted,

By: /s/ Michael D. Messersmith

Michael D. Messersmith (ARDC #6270267)
Jason J. Ben (ARDC #6281014)
KAYE SCHOLER LLP
3 First National Plaza
70 West Madison Street, Suite 4100
Chicago, Illinois 60602
(312) 583-2300

and

Ira H. Goldman
Marie C. Pollio (*pro hac vice*)
SHIPMAN & GOODWIN LLP
One Constitution Plaza
Hartford, Connecticut 06103
(860) 251-5000
mpollio@goodwin.com

Attorneys for U.S. Bank National Association

CERTIFICATE OF SERVICE

I, Michael D. Messersmith, an attorney, certify that on November 4, 2011, I caused the **Fee Application of U.S. Bank National Association in its Capacity as Successor TOPrS Indenture Trustee for Payment of TOPrS Indenture Trustee Fees (TOPrS Trusts I, III and V) (the “Application”)** to be served electronically through the Court's CM/ECF filing system to those parties on the list to receive e-mail notice for this case, and by e-mail to the following individuals not included on the Court’s CM/ECF notice list:

Frank F McGinn	ffm@bostonbusinesslaw.com
W. Curchack	wchurchack@loeb.com
V. Rubinstein	vrubinstein@loeb.com
M. Etkin	metkin@lowenstein.com
J. Rice	jrice@rgrdlaw.com
S. Holloway	sholloway@rgrdlaw.com
R. Llorens	ryanl@rgrdlaw.com
Lea A. Ament	W_Amentbbc@att.net
G Catalanello, J Vincequerra	gcatalanello@duanemorris.com
John Robert Weiss	jrweiss@duanemorris.com
Peter Addei	paddei@cohenandcompany.com
Illinois Student Assistance Commission - Bankruptcy Department	collegezone@isac.org
James H.M. Sprayregen	james.sprayregen@kirkland.com
Sylvia Wenzel	sylvia.wenzel@regus.com
Merri Jo Gillette	chicago@sec.gov
Ricardo Vilorio	RVilorio@StoneCastlePartners.com
Carolyn R Thagard	ctthagard@trapeza.com
Ira Goldman	igoldman@goodwin.com
Marie Pollio	mpolio@goodwin.com
Jessica M Willey	jwilley@potteranderson.com
J. Chris Matthews	j.chris.matthews@bnymellon.com
Carolyn R Thagard	cag@finstocks.com
Steve Antal	santal@corusbankshares.com
Cassie Miles	cmiles@corusbankshares.com
Randy Curtis	rcurtis@corusbankshares.com
James H Byrnes	james.byrnes@usbank.com
Steven Cimalore	scimalore@wilmingtontrust.com
James R Lewis	james.r.lewis@wellsfargo.com
Samuel Star	samuel.star@fticonsulting.com
Flora Boemi	aboemi@internationalfa.com
Sheva Tennyson	sheva.tennyson@regus.com
Richard Gill	rgill@fdic.gov
Deborah J Bisco	Bisco.Deborah@pbgc.gov
James Vordtriede	jvordtriede@fdic.gov

Greg Watson	gwatson@fdic.gov
Timothy E Divis	tdivis@fdic.gov
Illinois Department of Revenue - Bankruptcy Section	john.mccaffrey@illinois.gov
Illinois Department of Employment Security - Benefit Payment Control Division	joseph.mueller@illinois.gov
Richard L Nagle	nagle.richard@epa.gov
Michael Gill	mgill@mayerbrown.com
Valerie Nuhfer	valerielynn.nuhfer@bnymellon.com
Gretchen Silver	gretchen.silver@usdoj.gov
Morgan J McClure	mmclure@fortress.com

In addition, the Application was served by facsimile upon the following parties:

Department of Justice Attorney General of the United States 950 Pennsylvania Ave, NW Washington, D.C. 20530-0001 Facsimile: 202-307-6777	Bloomberg Debt Collector Marie Ferguson Vengroff Williams & Associated Inc PO Box 4155 Sarasota, FL 34230-4155 Facsimile: 631-670-2241
Dept of the Treasury - IRS P.O. Box 21126 Philadelphia, PA 19114 Facsimile: 312-566-2826	SEC Headquarters Securities and Exchange Commission Michael Berman 100 F Street NE Washington, D.C. 20549 Facsimile: 202-772-9260
Office of the United States Attorney Northern District of IL, Eastern Division 219 S Dearborn St Chicago, IL 60604 Facsimile: 312-353-2067	

By: /s/ Michael D. Messersmith

Michael D. Messersmith (ARDC #6270267)
Jason J. Ben (ARDC #6281014)
KAYE SCHOLER LLP
3 First National Plaza
70 West Madison Street, Suite 4100
Chicago, Illinois 60602
(312) 583-2300

**UNITED STATES BANKRUPTCY COURT
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**APPLICATION OF U.S. BANK NATIONAL ASSOCIATION, IN
ITS CAPACITY AS TOPrS INDENTURE TRUSTEE,
FOR PAYMENT OF TOPrS INDENTURE TRUSTEE FEES
(TOPRS TRUSTS I, III AND V)**

U.S. Bank National Association (“U.S. Bank”), in its capacity as TOPrS Indenture Trustee (as defined below), hereby files its Application (the “Application”), pursuant to section 1129(a)(4) of title 11 of the United States Code (the “Bankruptcy Code”) and Article IV.D.3 of *The Debtor’s Third Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (With Technical Modifications)* [ECF No. 689-1] (the “Plan”), for allowance and payment of its TOPrS Indenture Trustee Fees (as defined below), incurred in connection with the chapter 11 case of the above-caption debtor (the “Debtor”).

In this Application, U.S. Bank respectfully requests that this Court enter an order, substantially in the form attached hereto as “Exhibit A”, determining as reasonable and awarding the allowance and payment of its TOPrS Indenture Trustee Fees (as herein after defined) in the sum of \$245,885.29. This sum represents the aggregate amount of fees and expenses incurred by U.S. Bank (including the fees and expenses of its counsel) in conjunction with serving as trustee

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). Prior to the Effective Date, the location of the Debtor’s corporate headquarters and the service address for the Debtor was: 10 S. Riverside Plaza, Suite 1800, Chicago, IL 60606.

with respect to three separate TOPrS Trusts (as defined below)². The additional exhibits attached to this Application are:

“Exhibit B” – Summary of TOPrS Indenture Trustee Fees

“Exhibit C” – Invoices of U.S. Bank

“Exhibit D” – Invoices Shipman & Goodwin LLP

In support of its Application, U.S. Bank respectfully represents as follows:

JURISDICTION

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. In addition, this Court retained jurisdiction to consider this Application pursuant to Article X.1 of the Plan and paragraph 18 of the Order Confirming the Debtor’s Third Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code [ECF No. 689] (the “Confirmation Order”).

2. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(B) and (O). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicate for the relief requested herein is section 1129(a)(4) of the Bankruptcy Code.

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.

5. Following extensive discussions between the Debtor and the official committee of unsecured creditors (the “Committee”) regarding the terms of a plan of liquidation, the Debtor filed the *Debtor’s Amended Plan Under Chapter 11 of the Bankruptcy Code* [ECF No. 285] on

² U.S. Bank, as successor to the Bank of America, N.A., has filed a separate fee application with respect to a

December 15, 2010, which proposed the orderly wind down and liquidation of the Debtor. On December 16, 2010, the Bankruptcy Court approved the disclosure statement for this proposed liquidation plan [ECF No. 303], and on December 23, 2010, the Debtor commenced solicitation for the liquidation plan [ECF No. 322]. Subsequently, six creditors holding claims in the principal amount of approximately \$166 million (including Tricadia CDO Management, LLC and Mariner – Tricadia Credit Strategies Master Fund, Ltd. (collectively, “Tricadia”)) voted to reject the Debtor’s proposed liquidation plan.

6. In the wake of this rejection of the proposed liquidation plan by the Debtor’s creditors, extensive discussions ensued amongst the Debtor, the Committee and Tricadia about the propriety of a plan of liquidation, and proposed plan modifications. Ultimately, after numerous discussions and extensive analysis of costs and benefits of a plan of liquidation and a plan of reorganization, Tricadia and a majority of the other creditors who had voted to reject the liquidation plan, plus one additional creditor (collectively, the “Plan Support Parties”), determined that a plan of reorganization would best maximize value for the Debtor’s estate. On May 3 and May 4, 2011, the Plan Support Parties delivered to the Debtor letters informing the Debtor that they supported a reorganization and attached a term sheet setting forth the material terms of that reorganization.

7. The Debtor, Tricadia and the Committee thereafter negotiated the terms of a reorganization plan and, on July 26, 2011, the Debtor filed a disclosure statement (as amended, the “Disclosure Statement”) and attached, as an exhibit, a draft of the negotiated plan of reorganization (i.e., the “Plan”) [ECF. No. 553]. Thereafter, on July 28, 2011, the Bankruptcy Court entered the *Order Approving: (A) the Adequacy of the Debtor’s Disclosure Statement;*

fourth TOPrS Trust for which U.S. Bank serves as successor TOPrS Indenture Trustee.

(B) Solicitation and Notice Procedures With Respect to Confirmation of the Debtor's Proposed Plan of Reorganization; (C) the Forms of Various Ballots and Notices in Connection therewith; and (D) the Scheduling of Certain Dates With Respect Thereto [ECF No. 575] (the "Disclosure Statement Order"). In accordance with the Disclosure Statement Order and the solicitation procedures approved thereunder, the Debtor provided ballots to certain of its stakeholders to solicit votes to accept or reject the Plan. A majority of the stakeholders who submitted ballots voted in favor of the Plan. See [ECF No. 663].

8. Following a hearing held on September 27, 2011, the Court entered the Confirmation Order confirming the Plan. The effective date of the Plan was October 27, 2011 (the "Effective Date").

The TOPrS Indentures

9. Between June 2003 and June 2007, the Debtor created thirteen unconsolidated subsidiary trusts (collectively, the "TOPrS Trusts"), each of which issued trust originated preferred securities (the "TOPrS") to investors and then used the proceeds of the issuances to purchase debentures (the "TOPrS Debentures") from the Debtor with terms essentially identical to the TOPrS. Each of the TOPrS Trusts was governed by a declaration of trust (a "TOPrS Trust Indenture") and an indenture trustee (the "TOPrS Trust Indenture Trustee") was appointed for each TOPrS Trust. Similarly, each issuance of TOPrS Debentures was governed by an indenture (the "TOPrS Debenture Indentures") and an indenture trustee (the "TOPrS Debenture Indenture Trustee") was appointed for each series of TOPrS Debentures.

10. U.S. Bank is the TOPrS Trust Indenture Trustee with respect to the TOPrS Trust Indentures relating to TOPrS Trusts I, III and V (the "U.S. Bank TOPrS Trusts"). U.S. Bank is also the TOPrS Debenture Indenture Trustee with respect to the following TOPrS Debenture Indentures:

- that certain Indenture, dated as of June 26, 2003 (the “Trust I Indenture”);
- that certain Indenture, dated as of September 17, 2003 (the “Trust III Indenture”); and
- that certain Indenture, dated as of December 17, 2003 (the “Trust V Indenture” and, together with the Trust I Indenture and Trust III Indenture, the “U.S. Bank TOPrS Debenture Indentures”).³

U.S. Bank, as both TOPrS Debenture Indenture Trustee for each of the U.S. Bank TOPrS Debenture Indentures and as TOPrS Trust Indenture Trustee for each of the three U.S. Bank TOPrS Trusts, is collectively referred to as “TOPrS Indenture Trustee.”

11. U.S. Bank also serves as successor TOPrS Indenture Trustee for TOPrS Trust XI. A separate fee application is being filed contemporaneously herewith for TOPrS Indenture Trustee Fees accrued on account of TOPrS Trust XI.⁴ None of the amounts requested hereunder are duplicative of the amounts requested in the TOPrS Trust XI application.

12. The U.S. Bank TOPrS Debenture Indentures provide that the TOPrS Debenture Indenture Trustee is entitled to payment of reasonable, documented fees and expenses (including professional fees and expenses). E.g., Section 6.6 of the Trust I Indenture. In particular, pursuant to the U.S. Bank TOPrS Debenture Indentures, U.S. Bank is entitled to the following:

The Company covenants and agrees to pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all

³ Because the documents relating to the TOPrS and the TOPrS Debentures, including the U.S. Bank TOPrS Debenture Indentures, are voluminous they have not been attached hereto. However, copies are available upon request.

⁴ Fees and expenses incurred by both U.S. Bank and Shipman with respect to the succession are charged exclusively to TOPrS Trust XI and are reflected in the separate application for TOPrS Trust XI.

Persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct... The Company also covenants to indemnify each of the Trustee or any predecessor Trustee (and its officers, agents, directors and employees) for, and to hold it harmless against, any and all loss, damage, claim, liability or expense including taxes (other than taxes based on the income of the Trustee) incurred without negligence or willful misconduct on the part of the Trustee and arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim of liability. The obligations of the Company under this Section 6.6 to compensate and indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder.

See Trust I Indenture at Section 6.6.⁵ In addition, the U.S. Bank TOPrS Debenture Indentures provides U.S. Bank with a lien with respect to such fees and expenses:

Such additional indebtedness shall be secured by a lien prior to that of the Debentures upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Debentures.

Id. Each of the U.S. Bank TOPrS Debenture Indentures contains identical language.

The Plan and the TOPrS Indenture Trustee Fees

13. On the Effective Date of the Plan, substantially all instruments and agreements executed in connection with the TOPrS were deemed automatically canceled and of no further force or effect, except for certain limited purposes. See Plan at Article IV.D.1. The relevant TOPrS instrument or agreement remained in effect for the purpose of, among other things, “permitting such TOPrS Indenture Trustee to maintain any rights or Liens it may have under the

⁵ Similar language is provided in each TOPrS Trust Indenture for which U.S. Bank serves as TOPrS Trust Indenture Trustee. Section 9.6 of the TOPrS Trust Indenture for TOPrS Trust I.

applicable TOPrS Documents to receive TOPrS Indenture Trustee Fees” Id. The Plan defines “TOPrS Indenture Trustee Fees” as follows:

reasonable, documented fees, disbursements, advances and expenses (including, without limitation, professional fees and expenses, and payments made or to be made in connection with indemnity Claims) of each TOPrS Indenture Trustee (including, without limitation, in connection with service on the Committee, and in connection with Distributions under the Plan.)

Plan at Article I.A.101.

14. In addition, the Plan establishes a specific process to allow the TOPrS Indenture Trustee to apply for and receive payment of its TOPrS Indenture Trustee Fees. In particular, pursuant to the Plan, “as soon as practicable after the Effective Date, the Reorganized Debtor shall pay the TOPrS Indenture Trustee Fees.” Id. at Article IV.D.3. However, to receive payment of the TOPrS Indenture Trustee Fees, the Plan requires the TOPrS Indenture Trustee to comply with the following process:

As a precondition to payment of any TOPrS Indenture Trustee Fees incurred prior to the Effective Date, each TOPrS Indenture Trustee shall, after the Effective Date, submit to the Bankruptcy Court its invoices and an application for payment of such TOPrS Indenture Trustee Fees in accordance with Article XI.A. of the Plan. The Bankruptcy Court shall review each application for payment of TOPrS Indenture Trustee Fees for reasonableness, as required by section 1129(a)(4) of the Bankruptcy Code.

Id. The Plan provides that the deadline for submission of applications by TOPrS Indenture Trustees for the payment of TOPrS Indenture Trustee Fees incurred on or before the Effective Date is 60 days after the Effective Date. Id. at Article XI.A.

U.S. Bank's Proofs of Claim

15. On August 4, 2010, U.S. Bank timely filed three proofs of claim, one for each of the U.S. Bank TOPrS Trusts (the “Claims”), which were assigned claim numbers 125, 126 and 127, respectively. The Claims included a liquidated claim for principal and interest. Upon agreement with the Debtor and pursuant to the Plan, such Claims were deemed to be Allowed Claims (as such term is defined in the Plan) in the amounts set forth in the chart below. Plan at Article IV.Q.

Trust	Allowed Amount
Corus Statutory Trust I	\$30,465,407
Corus Statutory Trust III	\$49,784,605
Corus Statutory Trust V	\$55,219,786

16. In addition, the Claims included an unliquidated claim for all fees and expenses incurred by and any other amounts owing to U.S. Bank as TOPrS Indenture Trustee, including the fees and expenses of any professionals retained by U.S. Bank in connection with the TOPrS and this chapter 11 case. E.g., Claim No. 125 at ¶ 7. The Claims further invoked Section 6.6 of the TOPrS Debenture Indentures, which grants U.S. Bank the right to assert a charging lien with respect to any unpaid fees and expenses.⁶ Id. at ¶ 5. As set forth above, the Plan provides that the unliquidated portion of the Claims, constituting the TOPrS Indenture Trustee Fees, is subject to further consideration by this Court for reasonableness, pursuant to section 1129(a)(4) of the Bankruptcy Code. Plan at Article IV.D.3. Upon approval of the TOPrS Indenture Trustee Fees,

⁶ The charging liens of the TOPrS Indenture Trustee are preserved in the Plan pursuant to, among other things, Article IV.D.2 and Article IV.D.4.

the Plan provides that the Debtor shall “as soon as practicable thereafter, reimburse the TOPrS Indenture Trustee in Cash for such TOPrS Indenture Trustee Fees.” Id.

U.S. Bank’s Role in This Bankruptcy Case

17. On June 28, 2010, pursuant to section 1102 of the Bankruptcy Code, the United States Trustee appointed five creditors to serve on the Committee in connection with this chapter 11 case. U.S. Bank, in its capacity as TOPrS Indenture Trustee, was one of the five TOPrS Indenture Trustees appointed as a member of the Committee.⁷ Pursuant to the Plan, the Committee dissolved on the Effective Date. See Plan at Article IV.M.

18. On or around October 1, 2009, U.S. Bank retained the law firm of Shipman & Goodwin LLP (“Shipman”) to represent it in connection with the U.S. Bank TOPrS Trusts. Such representation included, among other things, analyzing the documents governing the TOPrS and TOPrS Debentures, monitoring for defaults under those documents, negotiating with Debtor’s representatives in an effort to achieve a consensual out-of-court restructuring, participating in numerous teleconferences for such purposes and communicating with holders of the TOPrS.

19. After the Petition Date, this representation extended to U.S. Bank’s service on the Committee and this chapter 11 case, generally. The majority of Shipman’s services were performed by Ms. Marie Pollio, an associate at the firm. Ms. Pollio has substantial experience representing indenture trustees in large, complex chapter 11 cases and, especially, bank holding company cases. In light of the complexities of this case, the unique structure of the TOPrS and the numerous issues that arose during Shipman’s representation of U.S. Bank, other attorneys

⁷ On March 21, 2011, one of the members of the Committee, Bank of America, N.A., in its capacity as a TOPrS Indenture Trustee for TOPrS Trust XI, resigned as a member of the Committee [ECF No. 385], and U.S. Bank, as successor to Bank of America, N.A., assumed responsibility on the Committee and in this chapter 11 case for TOPrS Trust XI.

assisted as was required for the representation. Mr. James Byrnes, Vice President of U.S. Bank, performed the majority of work on behalf of U.S. Bank, in consultation with its counsel.

20. The activities performed by U.S. Bank and Shipman during the chapter 11 case include, but are not limited to:

- (a) Seeking membership on the Committee, attending the organizational meeting of the Committee, interviewing and selecting Committee counsel and financial advisor;
- (b) participating in regular Committee calls as well as numerous telephonic or in-person meetings with the Debtor, and other significant parties throughout the case, including Tricadia, the Plan Support Parties and the Federal Deposit Insurance Corporation (the “FDIC”);
- (c) reviewing, analyzing and providing input on significant pleadings filed in the chapter 11 case and related litigation actions;
- (d) participating in the negotiation and formulation of a plan of liquidation and related disclosure statement and solicitation documents and related pleadings, which ultimately was rejected by voters;
- (e) participating in the negotiation and formulation of the Plan and related Disclosure Statement and solicitation documents and all related pleadings;
- (f) negotiating the inclusion of several features into the Plan to provide creditors with additional alternatives and protections, including, but not limited to: (i) the “liquidation option,” which provides eligible creditors with the option to receive a distribution of cash rather than a distribution of stock in the reorganized debtor;⁸ (ii) the Plan Committee, made up of independent members of the reorganized debtor’s board of directors with fiduciary duties to parties entitled to distributions under the Plan, to oversee and have decision-making authority with respect to the reorganized debtor’s ongoing litigation and causes of action; (iii) the Plan Committee Consultant, a former federal judge, tasked with overseeing and consulting with the Plan Committee regarding any material decision in connection with ongoing litigation and related settlements; (iv) the Litigation Trust, a trust created to hold causes of action against certain of the Debtor’s former officers; (v) the Creditors Designee, an individual appointed by the Committee and tasked with consulting with the Plan Committee and the Plan Committee Consultant regarding ongoing litigation and related settlements, to take positions in connection with the

⁸ In fact, a significant number of creditors, including certain of the Plan Support Parties, elected to receive a distribution of cash pursuant to the liquidation option rather than a distribution of equity under the Plan.

litigation between the Debtor and the FDIC regarding subordination issues and to monitor the Debtor with respect to distributions under the Plan; (vi) periodic reporting requirements, requiring the Debtor to publicly file periodic reports detailing the costs of administration of the estate and the amounts available for distribution, including the requirement to provide to the Creditors Designee any information that is withheld from the filed report out of concerns for the sensitivity or confidentiality of the information; (vii) prohibition against pledging assets, which prohibits the reorganized debtor from pledging any interest in various assets specifically reserved, in part or in whole, for parties that elected the Liquidation Option; (viii) the Cash Election Entitlement Segregated Account, a segregated account established to hold the amounts distributable to parties electing the Liquidation Option, governed by extremely conservative investment guidelines; (ix) refinements to the definition of "Free Cash," the term used to establish the actual and potential assets that will be available to parties entitled to distributions, designed to enlarge and clarify the scope of the definition; and (x) refinements to the definition of "Net Free Cash," the term used to describe the deductions from Free Cash that will be made to arrive at the amount of a distribution, designed to make clear that only those costs that otherwise would have been incurred in connection with a liquidation will be applied to reduce the Net Free Cash available to those parties that elected a cash distribution pursuant to the Liquidation Option;

- (g) regularly consulting with Committee counsel and extensively commenting on numerous drafts of the liquidation plan, the Plan, related disclosure statements and solicitation materials regarding, among other things, description, structure and treatment of the Debtor's pre-petition capital structure, including the TOPrS and TOPrS Debentures;
- (h) analyzing the complex legal, intercreditor and subordination issues and reviewing various corporate documents relevant to the Debtor's bankruptcy case;
- (i) calculating, preparing and filing the Claims and reconciling the Claims with the Debtor;
- (j) preparing various notices to holders and engaging in other communications with holders regarding this case; and
- (k) participating in teleconferences and correspondence with the Debtor and Committee professionals regarding distribution mechanics, solicitation mechanics, post-confirmation securities issues and related Plan implementation issues.

21. With respect to general case issues, whenever possible and appropriate, the TOPrS Indenture Trustee and Shipman relied primarily on counsel to the Committee to perform the necessary due diligence and legal research in order to avoid duplication of services. In this regard, the TOPrS Indenture Trustee and its counsel reviewed significant pleadings, reports and legal memoranda prepared by counsel and advisors to the Committee on a weekly basis, relating to the wide-ranging issues in these bankruptcy proceedings. Additionally, Mr. Byrnes and Shipman analyzed various pleadings and plan-related documents prepared or filed in the case, reported its analysis to the TOPrS Indenture Trustee and provided input to Committee counsel where appropriate.

The TOPrS Indenture Trustee Fees

22. U.S. Bank's TOPrS Indenture Trustee Fees are in the aggregate amount of \$245,885.29. Of this total, \$98,184.50 constitutes the total fees and non-legal expenses of U.S. Bank and \$147,700.79 constitutes the total fees and expenses of Shipman. U.S. Bank's TOPrS Indenture Trustee Fees are allocated among the three trusts as follows:

		TOPrS Trust I	TOPrS Trust III	TOPrS Trust V	Total
U.S. Bank	<i>Pre-Petition</i>	\$1,303.17	\$2,132.44	\$2,369.39	\$5,805.00
	<i>Post Petition</i>	\$20,738.39	\$33,935.15	\$37,705.96	\$92,379.50
Shipman	<i>Pre-Petition</i>	\$2,346.82	\$3,840.22	\$4,266.95	\$10,453.99
	<i>Post Petition</i>	\$30,810.71	\$50,416.92	\$56,019.17	\$137,246.80
	Total	\$55,199.09	\$90,324.73	\$100,361.47	\$245,885.29

23. As seen above, with respect to all three of the U.S. Bank TOPrS Trusts, U.S. Bank incurred an aggregate amount of \$98,184.50 in fees and expenses. Of this amount,

\$5,805.00 was fees and \$0.00 was expenses incurred during the period prior to the Petition Date (the “Prepetition Period”). An additional \$91,025.19 in fees and \$1,354.31 in expenses was incurred during the period after the Petition Date (the “Postpetition Period”).

24. As seen above, with respect to all three of the U.S. Bank TOPrS Trusts, Shipman incurred an aggregate amount of \$147,700.79 in fees and expenses. Of this amount, \$10,453.50 was fees and \$0.49 was expenses incurred during the Prepetition Period. An additional \$136,172.03 in fees and \$1,074.77 in expenses was incurred during the Postpetition Period.

25. Attached hereto as Exhibit B is a chart summarizing, by TOPrS Trust, the TOPrS Indenture Trustee Fees. In addition, attached hereto as Exhibits C and D, and incorporated by reference herein, are copies of the invoices of U.S. Bank and Shipman, redacted to preserve privilege where appropriate. The amounts reflected in the attached invoices have been allocated among the U.S. Bank TOPrS Trusts as indicated in Exhibit B and the chart in paragraph 22 above.⁹ The amounts set forth in the invoices remain unpaid and outstanding.

26. In accordance with industry practice and as reflected in the invoices appended to this Application as Exhibit C, U.S. Bank bills for the time spent by Mr. Byrnes and its other professional administrators providing default administration services at an hourly rate. Similarly, and as reflected in the invoices appended to this Application as Exhibit D, Shipman’s fees are billed at an hourly rate and represent the customary fees and expenses that Shipman charges to its clients. Both U.S. Bank and Shipman have prepared and maintained their records and invoices in a manner that is consistent with their ordinary business practices and those of others in the same industry. As is further discussed below, it is respectfully submitted that the

⁹ As of March 21, 2011, U.S. Bank commenced activities as successor TOPrS Indenture Trustee for TOPrS Trust XI. The invoices attached as Exhibits B and C corresponding to services rendered on or after March 21, 2011, have been allocated among the four trusts: TOPrS Trust I, TOPrS Trust III, TOPrS Trust V and TOPrS Trust XI. This

TOPrS Indenture Trustee Fees reflected in those invoices are reasonable and should be approved in full.

REQUESTED RELIEF

27. U.S. Bank, in its capacity as TOPrS Indenture Trustee, hereby seeks a determination that its TOPrS Indenture Trustee Fees are reasonable, pursuant to section 1129(a)(4) of the Bankruptcy Code and Article IV.D.3 of the Plan, and requests that the Debtor be authorized and directed to pay, in cash, the sum of \$245,885.29 for its TOPrS Indenture Trustee Fees incurred in connection with the TOPrS and this chapter 11 case, from April 1, 2010 through and including the Effective Date.

Section 1129(a)(4) of the Bankruptcy Code and the Plan
Authorize Payment of “Reasonable” TOPrS Indenture Trustee Fees

28. As set forth above, the Plan imposes an obligation on the Debtor to pay, in cash, the TOPrS Indenture Trustee Fees, subject only to this Court’s consideration of whether such fees are “reasonable,” pursuant to section 1129(a)(4) of the Bankruptcy Code. See Plan at Article IV.D.C. Section 1129(a)(4) of the Bankruptcy Code provides that in order for a court to confirm a plan, “[a]ny payment made or to be made by the proponent, by the debtor, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in or in connection with the case, or in connection with the plan and incident to the case, has been approved by, or is subject to approval of, the court as reasonable.” 11 U.S.C. § 1129(a)(4).

29. Though the payment of fees, such as the TOPrS Indenture Trustee Fees, by a debtor through a chapter 11 plan is not uncommon, very little case law exists to confirm and

application only relates to TOPrS Trust I, TOPrS Trust III and TOPrS Trust V. A separate application is being filed for the balance of the fees and expenses relating to TOPrS Trust XI.

explain this practice. However, several bankruptcy courts have confirmed that, where the provision of payment of fees is an element of a chapter 11 plan, section 1129(a)(4) may serve as the basis for payment of such fees, independent of any other provision of the Bankruptcy Code. In re Adelphia Communications Corp., 441 B.R. 6, 9 (Bankr. S.D.N.Y. 2010) (holding that reasonable fees may be paid, pursuant to section 1129(a)(4) of the Bankruptcy Code, where the provision for payment of such fees is an element of a chapter 11 plan, over objection of United States Trustee who argued that such payment could only be made upon demonstration of “substantial contribution,” pursuant to section 503(b)(3)(D) of the Bankruptcy Code); see also In re Washington Mutual, Inc., 442 B.R. 314, 365 (Bankr. D. Del. 2011) (in assessing whether to confirm a chapter 11 plan that provided for, among other things, payment of the fees of various settling parties (including indenture trustees), bankruptcy court held that such fees can be paid only after they are subject to court review under the “reasonableness” standard of section 1129(a)(4)).

30. Moreover, in interpreting what is “reasonable” under section 1129(a)(4) of the Bankruptcy Code, one bankruptcy court has observed that: (a) fees incurred protecting the applicant’s personal recovery (even without a benefit to the estate) may be reasonable, whereas (b) fees incurred undertaking abusive or “scorched earth” tactics are not reasonable. Adelphia, 441 B.R. at 9 (concluding that “‘reasonable’ in the context of fees awarded under section 1129(a)(4) permits payment for fees (otherwise reasonable) that have been incurred solely to increase the applicant's personal recovery on a long position in claims against the estate (even without benefit to the estate), but does not permit payment for fees to advance interests unrelated to recovering on claims (such as short positions or competitive advantage), or for activities that go beyond normal advocacy or negotiation, that represent scorched earth tactics, or that are

abusive, irresponsible, or destructive to the estate.”). Here, U.S. Bank is TOPrS Indenture Trustee for more than \$135,000,000 worth of the Debtor’s TOPrS issued in connection with TOPrS Trusts I, III and V and the TOPrS Debenture Indentures, and has at all times sought to maximize recoveries not for itself but rather for the investors in such securities and all other unsecured creditors.

The TOPrS Indenture Trustee Fees are Reasonable

31. As described above, U.S. Bank and Shipman have undertaken significant efforts in this case to assure that U.S. Bank complies with its duties both as a TOPrS Indenture Trustee and as a member of the Committee. In discharge of its duties, U.S. Bank, through Mr. Byrnes, and Shipman, gave significant attention to complex legal analysis, including analyzing, commenting on and negotiating: (a) drafts of a plan of liquidation, disclosure statement and related solicitation documents which was proposed but ultimately rejected by voters; (b) drafts of the Plan, Disclosure Statement and related solicitation documents; (c) the various additional options and protections included in the Plan, including, but not limited to, the Liquidation Option, the Plan Committee, the Litigation Trust, the Creditors Designee, the periodic reporting requirements, the restrictions on the pledging of assets, the Cash Election Entitlement Segregated Account and the refinements and clarifications to the definitions of “Free Cash” and “Net Free Cash,” each as described in more detail above; (d) complex intercreditor and subordination issues, particularly in connection with the FDIC’s arguments as asserted in connection with its objections to the Plan and Disclosure Statement; and (e) complex distribution issues, particularly in light of the unusual structure of the Plan and the TOPrS, most of which are held by and through collateralized debt obligation trusts. The services rendered by U.S. Bank were necessary and appropriate to carry out its contractual and fiduciary duties and to protect the interests of its holders and creditors generally.

32. Moreover, absent U.S. Bank's participation in this case as a TOPrS Indenture Trustee, each holder would have had to assert its own claims, requiring the Debtor to respond to dozens or hundreds of TOPrS holders' inquiries, claims and perhaps objections. U.S. Bank's role as TOPrS Indenture Trustee thus protected both the TOPrS holders and the Debtor, and facilitated the administration of this bankruptcy case by providing the Debtor with one creditor representative instead of many.

33. While U.S. Bank's TOPrS Indenture Trustee Fees were incurred, in part, as an effort to advance and protect the interests of its holders, none of U.S. Bank's efforts were related to attempts to obtain a competitive advantage or for activities that go beyond normal advocacy or negotiation, that represent scorched earth tactics, or that are abusive, irresponsible, or destructive to the estate. Adelphia, 441 B.R. at 9. To the contrary, U.S. Bank conducted itself at all times with the legitimate purpose of assuring that all holders of the U.S. Bank TOPrS, and other unsecured creditors, would maximize their recoveries in this case. Under these circumstances, U.S. Bank's TOPrS Indenture Trustee Fees are reasonable, as such term is used in section 1129(a)(4) of the Bankruptcy Code.

34. Moreover, payment of U.S. Bank's TOPrS Indenture Trustee Fees through this Application is preferable to other alternatives available in the U.S. Bank TOPrS Debenture Indentures and the Plan. In particular, the Plan explicitly contemplates the exercise by U.S. Bank of the charging lien granted to it pursuant to Section 6.6 of the U.S. Bank TOPrS Debenture Indentures. Plan at Article IV.D.4.¹⁰ While this process would allow U.S. Bank to recover all of its TOPrS Indenture Trustee Fees, it is (a) a complex and cumbersome process;

¹⁰ Article IV.D.4 provides as follows: "If the TOPrS Indenture Trustee Fees are not allowed pursuant to the above paragraph, and to the extent that, under the TOPrS Documents, the TOPrS Indenture Trustees are entitled to charging liens on account of unpaid TOPrS Indenture Trustee Fees, recoveries under the Plan will

(b) would create undue delay in making distributions to holders; and (c) would dilute recoveries to holders. Exercise of the charging lien is made even more difficult in this case as a result of the complex structure in which the TOPrS are held and the fact that a portion of the holders elected to receive a cash distribution while other holders elected to receive an equity distribution under the Plan. Exercise of the charging lien in this case would result in significant delay in distributions as a result of the need to determine the appropriate manner to exercise the lien uniformly among holders, and the need, in some cases, to hold and liquidate securities.

35. For all of the reasons set forth herein, the TOPrS Indenture Trustee Fees are “reasonable” as such term is used in section 1129(a)(4) of the Bankruptcy Code and should be allowed in full and paid, in cash, by the Debtor as soon as practicable.¹¹

NO PRIOR REQUEST

36. U.S. Bank has not made a previous application for the relief requested herein to this or any other Court.

NOTICE

37. In accordance with the Plan, U.S. Bank has served notice of this Application upon: (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 North LaSalle Street, Chicago, Illinois 60654, Attn: Jeffrey W. Gettleman; and (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) parties identified on the master

be adjusted so that sufficient Cash distributions are available to allow the TOPrS Indenture Trustees to exercise their charging liens against Cash distributed under the Plan.”

¹¹ U.S. Bank reserves its right to submit requests for the payment of TOPrS Trustee Fees incurred after the Effective Date directly to the Reorganized Debtor (as defined in the Plan) as is necessary and appropriate. See Plan at Article IV.D.3.

service list filed in this case (collectively, the “Notice Parties”). U.S. Bank submits that such notice is appropriate and proper.

WHEREFORE, U.S. Bank respectfully requests that the Court enter an order:

- (a) approving as reasonable, its requested TOPrS Indenture Trustee Fees relating to TOPrS Trusts I, III and V in the aggregate amount of \$245,885.29, comprised of: (1) with respect to U.S. Bank: (A) \$5,805.00 in fees and expenses during the Prepetition Period; and (B) \$92,379.50 in fees and expenses incurred during the Postpetition Period; and (2) with respect to Shipman: (A) \$10,453.99 in fees and expenses during the Prepetition Period; and (B) \$137,246.80 in fees and expenses during the Postpetition Period;
- (b) approving and directing payment, in cash, by the Debtor to (or at the direction of) U.S. Bank of the amounts so awarded as soon as practicable; and
- (c) granting such other and further relief as is just and proper under the circumstances.

[Signature page to follow]

Dated: November 4, 2011

Respectfully submitted,

By: /s/ Michael D. Messersmith

Michael D. Messersmith (ARDC #6270267)
Jason J. Ben (ARDC #6281014)
KAYE SCHOLER LLP
3 First National Plaza
70 West Madison Street, Suite 4100
Chicago, Illinois 60602
(312) 583-2300

and

Ira H. Goldman
Marie C. Pollio (*pro hac vice*)
SHIPMAN & GOODWIN LLP
One Constitution Plaza
Hartford, Connecticut 06103
(860) 251-5000
mpollio@goodwin.com

Attorneys for U.S. Bank National Association