

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Case No. 10-26881
)	Chapter 11
CORUS BANKSHARES, INC., ¹)	
)	Honorable Pamela S. Hollis
)	
Debtor.)	Hearing Date: August 3, 2010 at 11:00 a.m.
)	Objections Due: July 27, 2010 at 4:00 p.m.

NOTICE OF MOTION

PLEASE TAKE NOTICE that on **Tuesday, August 3, 2010 at 11:00 a.m.** or as soon thereafter as counsel may be heard, we will appear before the Honorable Pamela S. Hollis, or any other judge sitting in her stead in Courtroom 644 of the United States Bankruptcy Court for the Northern District of Illinois, 219 South Dearborn Street, Chicago, Illinois, and then and there present the Application for Entry of an Order Authorizing and Approving the Retention and Employment of Neal, Gerber & Eisenberg, LLP as Co-Counsel to the Official Committee of Unsecured Creditors of Corus Bankshares, Inc. Retroactive to June 28, 2010, a copy of which is attached hereto and hereby served upon you.

Dated: July 16, 2010

Respectfully submitted,

THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF CORUS BANKSHARES, INC.

By: /s/ Mark A. Berkoff
Proposed Counsel

Mark A. Berkoff (ARDC #06194787)
Deborah M. Gutfeld (ARDC #06272331)
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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.

CERTIFICATE OF SERVICE

Mark A. Berkoff, an attorney, certifies that on July 16, 2010, he caused the foregoing *Application for Entry of an Order Authorizing and Approving the Retention and Employment of Neal, Gerber & Eisenberg, LLP as Counsel to the Official Committee of Unsecured Creditors of Corus Bankshares Retroactive to June 28, 2010* (the “Application”) to be filed electronically. Notice of this filing was sent by operation of the Court’s electronic filing system to the following parties:

Jeff W. Gettleman jgettleman@kirkland.com	David R. Seligman dseligman@kirkland.com
William T. Neary USTPRegion11.ES.ECF@usdoj.gov	Frank F. McGinn, Esq. ffm@bostonbusinesslaw.com
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In addition, the parties listed on the attached service lists were served via electronic mail if an e-mail address is listed and via first class mail, postage prepaid, if there is no e-mail address.

Parties may access this filing through the Court’s CM/ECF system.

/s/ Mark A. Berkoff
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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
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In re:)	Chapter 11
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CORUS BANKSHARES, INC. ¹ ,)	Case No. 10-26881
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)	Honorable Pamela S. Hollis
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Debtor.)	Hearing Date: August 3, 2010 at 11:00 a.m.
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**APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING AND APPROVING THE
RETENTION AND EMPLOYMENT OF NEAL, GERBER & EISENBERG, LLP
AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OF CORUS BANKSHARES, INC. RETROACTIVE TO JUNE 28, 2010**

The Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned debtor and debtor-in-possession (the “Debtor”), pursuant to sections 328(a) and 1103(a) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, the “Bankruptcy Code”) and Rules 2014 and 5002 the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), hereby moves this Court (this “Application”) for the entry of an order authorizing and approving the retention and employment of Neal, Gerber & Eisenberg, LLP (“NGE” or the “Firm”) as counsel to the Committee in connection with the Debtor’s chapter 11 case (the “Chapter 11 Case”), retroactive to June 28, 2010. In support of the Application, the Committee submits the verified statement of Mark A. Berkoff, a partner of the Firm (the “Berkoff Affidavit”), which is attached hereto as Exhibit A and incorporated herein by reference. In further support of the Application, the Committee respectfully represents as follows:

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

1. On June 15, 2010 (the “Petition Date”), the Debtor filed voluntary petitions in this Court for reorganization relief under chapter 11 of the Bankruptcy Code. The Debtor continues to manage its property as debtor-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code. To date, no trustee or examiner has been appointed in this chapter 11 case.

2. On June 28, 2010, the Office of the United States Trustee for the Northern District of Illinois appointed a statutory committee of unsecured creditors (the “Creditors’ Committee”). The Committee is comprised of the following five (5) creditors: (i) U.S. Bank, N.A. as Indenture Trustee for Corus Statutory Trusts I, III and V; (ii) The Bank of New York Mellon Trust Company, N.A., as Indenture Trust for Corus Statutory Trust II, IV, VI, VIII and IX; (iii) Wilmington Trust Company, as Indenture Trustee for Corus Statutory Trust XIII; (iv) Wells Fargo Bank, N.A., as Indenture Trustee for Corus Statutory Trust XII; and (v) Bank of America, N.A. as Indenture Trustee for Corus Statutory Trust XI. Mr. J. Chris Matthews (The Bank of New York Mellon Trust Company, N.A.) was designated as chair of the Committee.

3. On June 28, 2010, the Committee held its organizational meeting and conducted extensive interviews of five (5) law firms (the “Interviews”). Following the Interviews, the Committee selected NGE to serve as its local counsel in connection with the Chapter 11 Case. The Committee selected NGE due to, among other things, their depth and breadth of experience in bankruptcy matters, especially complicated chapter 11 cases, and their Chicago presence. Based on these facts, the Committee believes that NGE is well-qualified to render the services described below.

JURISDICTION

4. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core

proceeding under 28 U.S.C. § 157(b)(2). The statutory predicates for the relief requested herein are sections 328(a) and 1103(a) of the Bankruptcy Code and rules 2014(a) and 2016 of the Bankruptcy Rules.

BASIS FOR RELIEF REQUESTED

5. The Committee is informed and believes that NGE attorneys are knowledgeable and experienced in bankruptcy law and its administration and that their employment will assist the Committee in the exercise of its powers and in the performance of its duties, as prescribed in section 1103(c) of the Bankruptcy Code. The Committee requires counsel to conduct its activities relating to chapter 11 of the Bankruptcy Code.

6. NGE is well-suited for the type of representation required by the Committee. NGE has attorneys whose members practice in virtually every civil practice area, including, but not limited to, financial restructuring and bankruptcy, commercial litigation, intellectual property, tax, real estate and securities and corporate transactions. Accordingly, the Committee has determined that NGE has the resources and experience necessary to represent it in the Chapter 11 Case.

7. Subject to further order of this Court, NGE is expected to render, *inter alia*, the following services to the Committee after consultation with lead counsel, Kilpatrick Stockton, and with a view to avoiding duplication of efforts and/or upon direction from the Committee:

a. assisting, advising and representing the Committee in its consultations with the Debtor regarding the administration of this case;

b. assisting, advising and representing the Committee in analyzing the Debtor's assets and liabilities, and participating in and reviewing any proposed asset sales, any asset dispositions;

c. assisting, advising and representing the Committee in any manner relevant to reviewing and determining the Debtor's rights and obligations under leases and other executory contracts;

d. assisting, advising and representing the Committee in investigating the acts, conduct, assets, liabilities and financial condition of the Debtor, the Debtor's operation and the desirability of the continuance of any portion of its operation, and any other matters relevant to this case or to the formulation of a plan;

e. assisting, advising and representing the Committee in its participation in the negotiation, formulation and drafting of a plan of liquidation or reorganization;

f. advising the Committee on the issues concerning the appointment of a trustee or examiner under Section 1104;

g. assisting, advising and representing the Committee in understanding its powers and its duties under the Bankruptcy Code and the Bankruptcy Rules and in performing other services as are in the interests of those represented by the Committee;

h. assisting, advising and representing the Committee in the evaluation of claims and on any litigation matters, including avoidance actions;

i. appearing in Court on behalf of the Committee and attending meetings in person or telephonically at the request or direction of the Committee; and

j. providing such other services to the Committee as may be necessary in this case.

8. To the best of the Committee's knowledge, and based upon the Berkoff Affidavit attached hereto, neither the Firm nor any of its attorneys have any connection with any party in interest, their attorneys or accountants, other than as set forth in the Berkoff Affidavit.

9. To the best of the Committee's knowledge, except as provided in the Berkoff Affidavit, neither the Firm, nor any of its attorneys represent any interest adverse to that of the Committee in the matters on which they are to be retained, and the Firm's attorneys are disinterested persons under Section 101(14).

10. The Committee has been advised by NGE that NGE's compensation would be based on its customary rates applicable to NGE's clients generally and would be at the expense of the estate and that billing statements will be furnished to the Committee on a monthly basis in the form of a Monthly Fee Application, to be filed with the Bankruptcy Court pursuant to the Order Establishing Procedures For Interim Compensation And Reimbursement Of Expenses For Professionals And Official Committee Members. Subject to Court approval in accordance with section 330 of the Bankruptcy Code, compensation will be payable to NGE on an hourly basis, plus reimbursement of actual and necessary expenses incurred by the Firm. NGE's current hourly rates for paralegals and attorneys range from \$140 to \$795, depending primarily on the background and experience of the particular attorney or paralegal. Mark A. Berkoff's 2010 hourly rate is \$645, Deborah Gutfeld's 2010 hourly rate is \$460 and Nicholas M. Miller's 2010 hourly rate is \$410. A more complete listing of NGE's 2010 hourly rates will be furnished upon request. These rates are adjusted periodically, usually at the beginning of the calendar year, and any modification of such rates is applicable to legal services performed after the new rates become effective.

11. The expenses that NGE ordinarily and customarily charges its clients include, but are not limited to, messenger charges, overnight delivery charges, word processing charges, deposition videography and transcript charges, photocopying charges at the rate of \$.10 per page,

computerized legal research fees, “working” meal charges, filing fees, travel costs, and fees for experts and other consultants retained on the client’s behalf.

12. NGE has not received any payments regarding its professional services or expenses related to NGE’s representation of the Committee in the Chapter 11 Case.

13. The Debtor has provided NGE with a listing of known creditors and adverse parties (the “Conflicts List”), a true and correct copy of which is attached as Exhibit A to the Berkoff Affidavit. The Conflicts List contained the names of: (a) Debtor; (b) the Debtor’s current and recent former directors and officers; (c) former employees; (d) certain professionals who will render services in connection with this Chapter 11 Case; (e) shareholders; (f) taxing authorities; (g) trust preferred securities trustees; (h) vendors; (i) the Debtor’s top 20 unsecured creditors; and (j) all trustees, judges and Court contacts in the Northern District of Illinois. Though NGE has searched only the parties identified by the Debtor in the Conflicts Lists, NGE agrees that it will file a supplemental Rule 2014 affidavit if any additional conflicts come to light after the filing of this Application.

14. NGE has reviewed the Conflicts List and performed a computer-aided conflicts search of its client database. NGE has not represented any other entity in connection with this case.

15. Periodically, NGE may represent or have represented certain creditors of the Debtor’s estate in matters unrelated to the Chapter 11 Case. These creditors, if known, are disclosed in the Berkoff Affidavit. Furthermore, NGE may, in the future, represent certain of the Debtor’s equity holders or creditors in matters unrelated to the Chapter 11 Case.

16. Except as set forth in the Berkoff Affidavit, to the best of the Committee’s knowledge, neither NGE nor its partners, associates or counsel, have any connections with the

Debtor, its creditors, any other parties in interest, its attorneys or accountants, the United States Trustee or any person employed in the Office of the United States Trustee. Moreover, NGE is not a creditor of the Debtor and is not an equity or security holder of the Debtor. To the best of the Committee's knowledge, and except as set forth in the Berkoff Affidavit, NGE does not hold or represent any interest adverse to the Committee. NGE is a "disinterested person" as that phrase is defined in section 101(14) of the Bankruptcy Code and NGE's employment is necessary and in the best interests of the Committee and the Debtor's estate.

NOTICE

17. Notice of this Application will be given 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) the United States Attorney for the Northern District of Illinois; (h) the Civil Process Clerk, United States Attorney's Office for the Northern District of Illinois; (i) the Attorney General of the United States, Washington, D.C., and (j) all parties who have requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties"). The Committee submits that, under the circumstances, no other or further notice is required.

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

WHEREFORE, the Committee requests that this Court approve the retention and employment of NGE as its counsel retroactive to June 28, 2010, to render services as described above with compensation to be paid as an administrative expense in such amounts as this Court

may hereafter determine and allow; and grant the Committee such other and further relief as the Court deems just and proper.

Dated: July 16, 2010

THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR CORUS BANKSHARES, INC.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., AS INDENTURE TRUSTEE FOR
CORUS STATUTORY TRUST II, IV, VI, VIII AND
IX

By: 
J. Chris Matthews, Chair of the Committee