

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

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| In re: |) | Chapter 11 |
| |) | |
| |) | Case No. 10-26881 (PSH) |
| CORUS BANKSHARES, INC.,¹ |) | |
| |) | Hearing Date: August 3, 2010, |
| |) | 11:00 a.m., C.T. |
| Debtor. |) | |

**NOTICE OF APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF CORUS BANKSHARES, INC. TO RETAIN AND EMPLOY
FTI CONSULTING, INC. AS FINANCIAL ADVISORS TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS, RETROACTIVE TO JUNE 28, 2010**

PLEASE TAKE NOTICE that on **August 3, 2010 at 11:00 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 her place and stead, and present the attached **Application of the Official Committee of Unsecured Creditors of Corus Bankshares, Inc. to retain and Employ FTI Consulting, Inc. as Financial Advisors to the Official Committee of Unsecured Creditors, Retroactive to June 28, 2010**, 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 **July 27, 2010 at 4:00 p.m. C.T.** and served by such time on: (a) FTI Consulting, Inc., Attn: Samuel Star; (b) proposed counsel to the Official Committee of Unsecured Creditors, Attn: Todd C. Meyers, Esq. and Deborah M. Gutfeld, Esq. (c) counsel to the Debtor; (d) the Office of the United States Trustee for the Northern District of Illinois, Attn: Richard C. Friedman, Esq.; (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; (i) the Civil Process

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.

Clerk, United States Attorney's Office for the Northern District of Illinois; and (j) the Attorney General of the United States, Washington, D.C.

Dated: July 16, 2010

Respectfully submitted,

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

By: /s/ Todd C. Meyers

Todd C. Meyers (ARDC # 90785773)
Sameer K. Kapoor (Georgia Bar No. 407525)

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and

By: /s/ Deborah M. Gutfeld
Deborah M. Gutfeld (ARDC # 6272331)

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*Proposed Counsel for the Official
Committee of Unsecured Creditors of
Corus Bankshares, Inc.*

CERTIFICATE OF SERVICE

Deborah M. Gutfeld, an attorney, certifies that on July 16, 2010, she caused the foregoing *Application of the Official Committee of Unsecured Creditors of Corus Bankshares, Inc. to Retain and Employ FTI Consulting, Inc. as Financial Advisors to the Official Committee of Unsecured Creditors, 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 |
| Michael D. Messersmith mmessersmith@kayescholer.com | Mark Berkoff mberkoff@ngelaw.com |
| Deborah M. Gutfeld dgutfeld@ngelaw.com | Nicholas M. Miller nmiller@ngelaw.com |
| Deborah J. Bisco bisco.deborah@pbgc.gov | Sonia U. Chae chaes@sec.gov |

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/ Deborah M. Gutfeld
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Bank of America NA
(RE: Unsecured Creditors Committee)
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US Bank NA
(RE: Unsecured Creditors Committee)
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US Environmental Protection Agency
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Bankruptcy Contact
US EPA Region 5 Mail Code C-14J
Chicago, IL 60604

Wells Fargo Bank NA
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(RE: Unsecured Creditors Committee)
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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
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| In re: |) | Chapter 11 |
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| CORUS BANKSHARES, INC., ¹ |) | Case No. 10-26881 (PSH) |
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| Debtor. |) | |
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**APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF CORUS BANKSHARES, INC. TO RETAIN AND
EMPLOY FTI CONSULTING, INC. AS FINANCIAL ADVISORS TO THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS
RETROACTIVE TO JUNE 28, 2010**

The Official Committee of Unsecured Creditors (the “Committee”) of Corus Bankshares Inc. (the “Debtor”) respectfully submits this application (the “Application”), pursuant to section 1103 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for entry of an order authorizing the Committee to retain and employ FTI Consulting, Inc. (“FTI”) as its Financial Advisors in connection with the Debtor’s chapter 11 case, retroactive to June 28, 2010. In support of this 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 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.

2. On June 28, 2010 (the “Formation Meeting”), the Office of the United States Trustee appointed the Committee pursuant to section 1102 of the Bankruptcy Code. At the Formation Meeting, the Committee selected FTI as its financial advisor. The Committee consists of the following five members:

- (a) U.S. Bank, N.A.;
- (b) The Bank of New York Mellon Trust Company, N.A.;
- (c) Wilmington Trust Company;
- (d) Wells Fargo Bank, N.A.; and
- (e) Bank of America, N.A.

JURISDICTION AND VENUE

3. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The statutory predicates for the relief requested herein are section 1103 of the Bankruptcy Code and Bankruptcy Rule 2014.

RELIEF REQUESTED

4. By this Application, the Committee seeks to employ and retain FTI pursuant to sections 1103 of the Bankruptcy Code to perform financial advisory services for the Committee in this chapter 11 case, with such employment being retroactive to June 28, 2010, the date when the Committee was appointed and selected FTI as its financial advisors for this case.

5. The Committee is familiar with the professional standing and reputation of FTI. The Committee understands and recognizes that FTI has a wealth of experience in providing financial advisory services in restructurings and reorganizations and enjoys an excellent reputation for services it has rendered in complex chapter 11 cases on behalf of debtors and creditors throughout the United States.

6. The services of FTI are deemed necessary to enable the Committee to assess and monitor the efforts of the Debtor and its professional advisors to maximize the value of its estate and to reorganize successfully. Further, FTI is well qualified and able to represent the Committee in a cost-effective, efficient, and timely manner.

SCOPE OF SERVICES

7. The Committee respectfully submits that it is necessary and appropriate for it to employ and retain FTI to provide, among other things, the following services:

- Assistance with the assessment and monitoring of the Debtor's short term cash flow, liquidity, and operating results;
- Assistance in the review of financial information distributed by the Debtor to creditors and others, including, but not limited to, cash flow projections and budgets, cash receipts and disbursement analysis, analysis of various asset and liability accounts, and analysis of proposed transactions for which Court approval is sought;
- Assistance in the review and monitoring of the plan sponsor/asset sale process, including,

but not limited to an assessment of the adequacy of the marketing process, completeness of any buyer lists, review and quantifications of any bids and other services deemed necessary by the Committee;

- Assistance to the Committee in the review of financial related disclosures required by the Court, including the Schedules of Assets and Liabilities, the Statement of Financial Affairs and Monthly Operating Reports;
- Assistance with review of any tax issues associated with, but not limited to, claims/stock trading, preservation of net operating losses, refunds due to the Debtor, plans of reorganization, and asset sales;
- Assistance in the review of the claims reconciliation and estimation process;
- Assistance in the review of the plan(s) of reorganization and the related disclosure statement;
- Assistance regarding the identification of areas of potential cost savings, including overhead and operating expense reductions and efficiency improvements;
- Attendance at meetings and assistance in discussions with the Debtor, potential investors, the Committee, the U.S. Trustee, other parties in interest and professionals hired by the same, as requested;
- Assistance in the review and/or preparation of information and analysis necessary for the confirmation of a plan in this chapter 11 proceeding;
- Assistance in the evaluation and analysis of avoidance actions, including fraudulent conveyances and preferential transfers;
- Litigation advisory services with respect to accounting and tax matters, along with expert witness testimony on case related issues as required by the Committee; and
- Rendering such other general business consulting or such other assistance as the

Committee or its counsel may deem necessary that are consistent with the role of a financial advisor and not duplicative of services provided by other professionals in this proceeding.

FTI'S ELIGIBILITY FOR EMPLOYMENT

8. FTI has informed the Committee that, except as may be set forth in the Affidavit of Samuel Star (the "Star Affidavit"), it does not represent any other entity having an adverse interest in connection with this case, and therefore believes it is eligible to represent the Committee under Section 1103(b) of the Bankruptcy Code.

9. FTI will continue ongoing review of its files to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new material facts or relationships are discovered, FTI will supplement its disclosure to the Court.

10. FTI has agreed not to share with any person or firm the compensation to be paid for professional services rendered in connection with this case.

TERMS OF RETENTION

11. The Committee understands that FTI intends to apply to the Court for allowance of compensation and reimbursement of expenses for its financial advisory support services in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, corresponding local rules, orders of this Court and guidelines established by the United States Trustee.

12. FTI will seek to be compensated on an hourly fee basis plus reimbursement of actual and necessary expenses incurred by FTI. Actual and necessary expenses would include any reasonable defense of its retention application and fee applications in this matter subject to Court approval.

13. The customary hourly rates², subject to periodic adjustments, charged by FTI professionals anticipated to be assigned to this case are as follows:

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|----------------------------------|-----------|
| Senior Managing Directors | \$775-885 |
| Directors/Managing Directors | \$585-725 |
| Consultants/Senior Consultants | \$305-515 |
| Administration/Paraprofessionals | \$110-250 |

14. FTI will maintain detailed records of actual and necessary costs and expenses incurred in connection with the financial advisory services described above.

INDEMNIFICATION

15. In addition to the foregoing, and as a material part of the consideration for the agreement of FTI to furnish services to the Committee pursuant to the terms of this Application, FTI requests that the following indemnification provisions be approved:

- a. subject to the provisions of subparagraphs (b) and (c) below, the Debtor is authorized to indemnify, and shall indemnify, FTI for any claims arising from, related to, or in connection with FTI's engagement as financial advisors for the Committee, but not for any claim arising from, related to, or in connection with FTI's post-petition performance of any services other than those in connection with the engagement, unless such post-petition services and indemnification therefore are approved by this Court; and
- b. the Debtor shall have no obligation to indemnify FTI for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen primarily from FTI's bad faith, gross negligence or willful misconduct, or (ii) settled prior to a judicial determination as to FTI's bad faith, gross negligence or willful misconduct, but determined by this Court, after notice and a hearing pursuant to subparagraph (c) infra, to be a claim or expense for which FTI is not entitled to receive indemnity under the terms of the Application; and

² FTI will disclose the new billing rates after any such periodic adjustment, which normally occurs in January of each year.

- c. if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in this case (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing this chapter 11 case, FTI believes that it is entitled to the payment of any amounts by the Debtor on account of the Debtor's indemnification obligations under the Application, including, without limitation, the advancement of defense costs, FTI must file an application therefor in this Court, and the Debtor may not pay any such amounts to FTI before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by FTI for indemnification, and not as a provision limiting the duration of the Debtor's obligation to indemnify FTI.

NOTICE

16. The Committee has provided notice of this Application to: (a) the Debtor and its counsel; (b) the Office of the United States Trustee for this region; (c) counsel to the indenture trustees for each of the Debtor's subordinated debentures (where applicable); (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) those parties who have filed notices of appearance in this chapter 11 case. In light of the nature of the relief requested, the Committee respectfully submits that no further notice is necessary.

NO PRIOR REQUEST

No prior application for the relief requested herein has been made to this or any other Court.

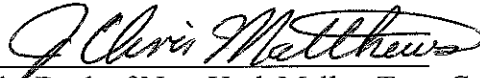
WHEREFORE, the Committee respectfully requests that the Court enter an Order, substantially in the form attached hereto, authorizing the Committee to employ and retain FTI as

financial advisors for the Committee for the purposes set forth above, with such employment being retroactive to June 28, 2010 (the date the Committee selected FTI as its financial advisors), and grant such further relief as is just and proper.

Dated: July 16, 2010

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

**By: Chair of the Official Committee of Unsecured
Creditors of Corus Bankshares, Inc.**

A handwritten signature in cursive script, reading "J. Chris Matthews".

The Bank of New York Mellon Trust Company, N.A.

By: J. Chris Matthews