

MEMORANDUM

March 14, 2008

To: Official Committee of Unsecured Creditors (the "Committee") of Propex Inc., *et al.* ("Propex" or the "Debtors")

From: Akin Gump Strauss Hauer & Feld LLP ("Akin Gump")

Re: Propex Inc., *et al.* – Recently Filed Pleading

Debtors' Application for Entry of an Order Under 11 U.S.C. §§ 327 and 328 Authorizing Retention and Employment of Navigant Capital Advisors, LLC *Nunc Pro Tunc* (the "Application")

By the Application, the Debtors seek entry of an order (the "Order") to retain Navigant Capital Advisors, LLC ("Navigant") pursuant to 11 U.S.C. §§ 327(a) and 328 *nunc pro tunc* as of February 6, 2008 in accordance with the terms of their engagement letter, dated February 20, 2008 (the "Engagement Letter"). Pursuant to the Engagement Letter, Navigant will primarily assist the Debtors in the preparation and review of reports or filings as required by the Bankruptcy Court or the Office of the United States Trustee, including, but not limited to, the following

- (a) the Debtors' schedules of assets and liabilities, statement of financial affairs, mailing matrix, and monthly operating reports; and
- (b) such other matters as may be requested by the Debtors and agreed upon by Navigant regarding services consistent with Navigant's expertise.

The Debtors and Navigant have agreed to an hourly compensation structure for Navigant's professionals. The hourly rate structure is as follows:

<u>Billing Category</u>	<u>Range</u>
Senior Managing Directors/Managing Directors	\$545-\$695 per hour
Directors/Senior Advisors	\$475-\$525 per hour
Associate Directors	\$375-\$475 per hour
Managing Consultants	\$345-\$375 per hour
Consultants/Associates	\$235-\$345 per hour
Paraprofessionals	\$95 per hour

Pursuant to the Application, the Debtors seek authority to reimburse Navigant for its reasonable expenses, including travel, report production, fee application expenses, costs of collection, delivery services, and other costs incurred in providing services to the Debtors. Pursuant to the Application, the Debtors also seek authority to indemnify and hold Navigant harmless against liabilities arising out of or in connection with its retention by the Debtors, except for any such losses, claims, damages, or liabilities incurred by the Debtors that are determined to have resulted from the gross negligence or willful misconduct of Navigant. There is no cap on the amount of the Debtors' indemnification of Navigant. Further, pursuant to the Application, the Debtors and Navigant agree to use reasonable efforts to coordinate with the Debtors' other professionals to avoid the unnecessary duplication of services.

**The hearing date on the Application is scheduled for March 26, 2008 at 9:00 a.m. (ET).
The deadline to object to the Motion is Monday March 24, 2008 at 5:00 p.m. (ET).**