

MEMORANDUM

October 22, 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’ Motion for an Order Authorizing the Debtors to Pay or Reimburse Additional Pre-Petition Government Fees and Expenses Incurred in the Ordinary Course of Business (the “Motion”)

By the Motion, the Debtors request the entry of an order (the “Order”) authorizing the Debtors to pay all government filing fees and/or reimburse foreign counsel who have paid government filing fees, the aggregate of which is approximately \$16,000.

According to the Motion, on January 18, 2008, the Debtors filed their *Expedited Motion for an Order Authorizing the Debtors to Pay Pre-Petition Sales, Use, Trust Fund and Other Taxes and Related Obligations*, which the Court granted on January 22, 2008. Since that time, the Debtors allege that they have become aware of additional pre-petition government costs and fees. Specifically, the Debtors state that in the ordinary course of business, they incur a variety of governmental fees, licenses, and taxes in certain foreign countries. In order to protect their operations and assets, the Debtors retain foreign firms and services to file proper documentation for the continuation and protection of intellectual property rights. In this regard, the Debtors assert that they have incurred approximately \$16,000 in pre-petition government filing fees. The Debtors avow that the Motion does not seek authorization to pay any “pre-bankruptcy professional fees.”

The hearing date on the Motion is scheduled for October 29, 2008 at 9:00 a.m. (ET). The deadline to object to the Motion is October 24, 2008 at 5:00 p.m. (ET).