

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
SOUTHERN DIVISION**

In re	§	
	§	
PROPEX INC.,	§	Case No. 08-10249
PROPEX HOLDINGS INC.,	§	Case No. 08-10250
PROPEX CONCRETE SYSTEMS	§	
CORPORATION,	§	Case No. 08-10252
PROPEX FABRICS INTERNATIONAL	§	
HOLDINGS I INC.,	§	Case No. 08-10253
PROPEX FABRICS INTERNATIONAL	§	
HOLDINGS II INC.,	§	Case No. 08-10254
	§	
Debtors.	§	
	§	
	§	Chapter 11
	§	
	§	JOINTLY ADMINISTERED
	§	UNDER CASE NO. 08-10249

**MOTION FOR ENTRY OF THE STIPULATION AND AGREED ORDER BETWEEN
THE DEBTORS AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OF PROPEX INC., ET AL., REGARDING CREDITOR ACCESS
TO INFORMATION PURSUANT TO 11 U.S.C. §§ 105(A), 1102(B) AND 1103(C)**

NOTICE OF HEARING

Notice is hereby given that:

A hearing will be held March 26, 2008 at 9:00 AM (prevailing Eastern Time) in the Bankruptcy Courtroom A, Third Floor, Historic United States Courthouse, 31 East 11th Street, Chattanooga, Tennessee, on the following:

MOTION FOR ENTRY OF THE STIPULATION AND AGREED ORDER BETWEEN THE
DEBTORS AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF
PROPEX INC., ET AL., REGARDING CREDITOR ACCESS
TO INFORMATION PURSUANT TO 11 U.S.C. §§ 105(A), 1102(B) AND 1103(C)

If you do not want the court to grant the relief requested, you or your attorney must attend this hearing. If you do not attend the hearing, the court may decide that you do not oppose the relief sought in the Motion and may enter an order granting that relief.

The Official Committee of Unsecured Creditors (the “Committee”) of Propex Inc. (“Propex”) and its affiliated debtors and debtors in possession (collectively with Propex, the “Debtors”), by and through its undersigned counsel, hereby files this motion (the “Motion”) for entry of the stipulation and agreed order (the “Stipulation”) between the Debtors and the Committee regarding creditor access to information pursuant to 11 U.S.C. §§ 105(a), 1102(b) and 1103(c). In support of the Motion, the Committee respectfully states as follows:

BACKGROUND

1. On January 18, 2008 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Tennessee, Southern Division (the “Court”).

2. Since the Petition Date, pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors have continued to operate their businesses and manage their properties and assets as debtors in possession. On the January 22, 2008, the Court entered an order jointly administering these chapter 11 cases pursuant to Bankruptcy Rule 1015 for procedural purposes only.

3. On January 25, 2008, pursuant to section 1102 of the Bankruptcy Code, the United States Trustee appointed the Committee as the official committee of unsecured creditors in these cases.¹

¹ The Committee is comprised of the following entities: Wilmington Trust Company; Pension Benefit Guaranty Corporation; Total Petrochemicals USA, Inc.; BP Corporation North America Inc.; and SMH Capital Advisors, Inc.

JURISDICTION AND VENUE

4. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are sections 105(a), 1102(b) and 1103(c) of the Bankruptcy Code.

RELIEF REQUESTED

5. Pursuant to section 1103(c) of the Bankruptcy Code, the Committee is authorized to, among other things, consult with the Debtors, investigate the Debtors, participate in the formulation of a chapter 11 plan of reorganization and perform such other services as are in the interests of those represented. See 11 U.S.C. § 1103(c). In addition, as part of the Committee's duties, pursuant to section 1102(b)(3)(A) of the Bankruptcy Code, the Committee is required to provide the constituency it represents with access to certain information. See 11 U.S.C. § 1102(b)(3)(A).

6. By this Motion, the Committee seeks entry of the Stipulation, which establishes an information protocol for distribution of information to creditors (the "Information Protocol").² The Information Protocol will help ensure that confidential, privileged, proprietary and/or material non-public information will not be disseminated to the detriment of the Debtors' estates and will aid the Committee in performing its statutory function.

² The Information Protocol requested by this Motion is virtually identical to the information protocols established in other recent chapter 11 cases. See, e.g., In re Calpine Corp., 05-60200 (Bankr. S.D.N.Y. Feb. 23, 2006) [Docket No. 869]; In re Refco Inc., 05-60006 (Bankr. S.D.N.Y. Jan. 20, 2006) [Docket No. 1025].

THE INFORMATION PROTOCOL

7. By the Stipulation, the Debtors and the Committee have agreed to the Information Protocol in satisfaction of the Committee's obligation to provide creditors with access to information under section 1102(b)(3)(A) and (B) of the Bankruptcy Code. Pursuant to the Information Protocol, the Committee agrees to:

- (a) Establish and maintain an Internet-accessed website (the "Committee Website") that provides, without limitation:
 - i. general information concerning the Debtors, including, case dockets, access to docket filings, and general information concerning significant parties in the cases;
 - ii. monthly Committee written reports summarizing recent proceedings, events and public financial information;
 - iii. highlights of significant events in the cases;
 - iv. a calendar with upcoming significant events in the cases;
 - v. access to the claims docket as and when established by the Debtors or any claim agent retained in the cases;
 - vi. a general overview of the chapter 11 process;
 - vii. press releases (if any) issued by each of the Committee and the Debtors;
 - viii. a non-public registration form for creditors to request "real-time" case updates via electronic mail;
 - ix. a non-public form to submit creditor questions, comments and requests for access to information;
 - x. responses to creditor questions, comments and requests for access to information; provided, that the Committee may privately provide such responses in the exercise of its reasonable discretion, including in the light of the nature of the information request and the creditor's agreements to appropriate confidentiality and trading constraints;
 - xi. answers to frequently asked questions; and

- xii. links to other relevant websites.
- (b) Distribute case updates via electronic mail for creditors that have registered for this service on the Committee website.
- (c) Establish and maintain a telephone number and electronic mail address for creditors to submit questions and comments.

BASIS FOR RELIEF REQUESTED

A. Statute Requires Undefined “Access to Information”

8. On April 20, 2005, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (the “Act”) was enacted into law. The majority of the provisions in the Act became effective on October 17, 2005, 180 days after the date of enactment.

9. Section 1102 of the Bankruptcy Code governs the appointment of statutory creditors’ and equity security holders’ committees. See 11 U.S.C. § 1102(a). Among the many amendments and additions made to the Bankruptcy Code, a new statute, section 1102(b)(3), was added to the Bankruptcy Code that provides as follows:

A committee appointed under subsection (a) shall –

- (a) provide access to information for creditors who –
 - i. hold claims of the kind represented by that committee; and
 - ii. are not appointed to the committee;
- (b) solicit and receive comments from the creditors described in subparagraph (A); and
- (c) be subject to a court order that compels any additional report or disclosure to be made to the creditors described in subparagraph (A).

10. When a statute is clear and unambiguous, “the sole function of the courts is to enforce it according to its terms.” U.S. v. Ron Pair Enters., Inc., 489 U.S. 235, 241 (1989) (quoting Caminetti v. United States, 242 U.S. 470, 485 (1917)). However, in “rare cases [in

which] the literal application of a statute will produce a result demonstrably at odds with the intention of its drafters . . . the intention of the drafters, rather than the strict language, controls.” Id. at 242-43 (citing Griffin v. Oceanic Contractors, Inc., 458 U.S. 564 (1982) (internal quotations omitted)).

11. The Committee respectfully submits that section 1102(b)(3)(A) is unclear and ambiguous. The statute simply requires a committee “to provide access to information,” yet sets forth no guidelines as to the type, kind and extent of the information to be provided. In its extreme, section 1102(b)(3)(A) could be read as requiring a committee to provide access to *all* information provided to it by a debtor, or developed through exercise of its investigative function, regardless of whether the information is confidential, privileged, proprietary or material non-public information and regardless of whether disseminating such information implicates securities laws disclosure requirements. See 17 C.F.R. §§ 243.100 to 243.103 (2005).

12. The legislative history does not provide any further guidance on this point and merely reiterates the language of section 1102(b)(3). See H.R. Rep. No. 109-31, 109th Cong., 1st Sess. 87 (2005) (“Section 405(b) requires the committee to give creditors having claims of the kind represented by the committee access to information. In addition, the committee must solicit and receive comments for these creditors and, pursuant to court order, make additional reports and disclosures available to them.”).

13. Given the ability to share information through the Internet or otherwise, the drafters of section 1102(b)(3) likely intended this provision to mean that a committee’s constituency should have easier access to relevant public information about a debtor without the burden of retaining counsel to monitor the numerous proceedings within a bankruptcy case. Congress could not have intended for a committee to be required to provide unfettered access to

every type and kind of information that a committee receives from a debtor. If this had been the intention, section 1102(b)(3) would then frustrate numerous provisions of the Bankruptcy Code, including the plenary authority to obtain information and act in a fiduciary capacity pursuant to section 1103(c) of the Bankruptcy Code.

14. Absent relief of the kind sought herein, debtors will undoubtedly be concerned that information shared with the statutory fiduciary may be shared with the public, including competitors and interested acquirors. Similarly, committees will be concerned that the fruits of their own investigation may be disseminated to inappropriate parties. In turn, these concerns will impede a statutory committee's own efforts to obtain information, which will undermine the committee's ability to maximize creditor recoveries. Certainly, the drafters could not have intended section 1102(b)(3) to hinder the Committee's authority under section 1103(c) of the Bankruptcy Code. These statutes must be harmonized consistently with the overall purposes of chapter 11.

B. Creditors' Committees Rights and Powers

15. Section 1103 of the Bankruptcy Code sets forth the rights and powers of a committee. 11 U.S.C. § 1103. Those rights and powers include "consult[ing] with the . . . debtor in possession concerning the administration of the cases" (11 U.S.C. § 1103(c)(1)) and "investigat[ing] the acts, conduct, assets, liabilities and financial condition of the debtor, the operation of the debtor's business and the desirability of the continuance of such business, and any other matter relevant to the case or to the formulation of a plan." 11 U.S.C. § 1103(c)(2).

16. In order to assist a statutory committee with faithfully performing its function -- which includes evaluating a debtor's business plan and reorganization strategy -- debtors will provide committees with confidential, material non-public information, including in draft form.

See 7 Collier on Bankruptcy ¶ 1103.05 [2] [a], at 1103-29 & 30 (King, 15th ed. rev. 2005). In that regard, debtors often condition the dissemination of such information on each committee member (and, in certain instances, committee professionals) agreeing to maintain such information in confidence.³

17. Section 1102(b)(3)(A), however, provides no guidance on the extent to which a committee is obligated to provide confidential, proprietary or material non-public information to its constituency.

18. In these cases, the Debtors have specifically raised their concerns with sharing any confidential, proprietary or material non-public information with the Committee based upon their legitimate concern that the Committee will be required to provide unfettered access to such information to its constituency. Indeed, providing unfettered access to such information undoubtedly will allow competitors of the Debtors to use such information, including any business plan of the Debtors, trade secrets, or other proprietary information, to that competitor's advantage and, more importantly, to the disadvantage of the Debtors.

19. Another concern arises because the Committee's provision of unfettered access to information to its constituents could impact the attorney-client and work product privileges between the Committee and their counsel or other agents. Cf. In re Baldwin-United Corp., D.H., 38 B.R. 802, 805 (Bankr. S.D. Ohio 1984) (creditors' committee entitled to protection of attorney-client privilege). This is particularly relevant given the Committee's crucial investigative powers and the likelihood that the Committee will be gathering information relevant to potential causes of action of the estates.

³ Typically, statutory committees have bylaws governing the conduct of its members, including the non-disclosure of confidential information concerning the debtors.

C. Court's Inherent Power

20. Under section 105(a) of the Bankruptcy Code, the Court may “issue any order . . . that is necessary or appropriate to carry out the provisions of this title.” The Committee believes that the relief requested herein is necessary for the Committee to fulfill its statutory function as contemplated by section 1103(c) of the Bankruptcy Code.

21. The Committee submits that the relief requested herein is appropriate and well within the authority of this Court. As section 1102(b)(3)(A) of the Bankruptcy Code might otherwise have a substantial “chilling effect” on information the Debtors may be willing to share with the Committee, or on the Committee’s development of independent analyses, it cannot be seriously questioned that the relief requested herein is “necessary and appropriate to carry out the provisions of [the Bankruptcy Code]” pursuant to section 105(a) of the Bankruptcy Code.

22. Prior to the filing of this Motion, the Committee provided copies of the Motion and the accompanying Stipulation to the Office of the United States Trustee (the “United States Trustee”). The United States Trustee has informed the Committee that it has no objection to the Stipulation.

NOTICE

23. This Motion has been served on each party listed on the most recent Master Service List, as such term is defined in the Order Under 28 U.S.C. § 156(c) Authorizing and Approving the Retention of and Appointing Epiq Bankruptcy Solutions, LLC as Claims, Noticing, and Balloting Agent and Establishing Notice and Administrative Procedures, entered by this Court on January 23, 2008. The Committee submits that no further notice is required.

NO PRIOR REQUEST

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

CONCLUSION

WHEREFORE, the Committee respectfully requests that the Court enter the Stipulation filed herewith as Exhibit A and grant such other and further relief as the Court may deem just, proper and equitable

Date: March 5, 2008

/s/ Ira S. Dizengoff

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**STIPULATION AND AGREED ORDER BETWEEN THE DEBTORS
AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OF PROPEX INC., ET AL. REGARDING CREDITOR ACCESS
TO INFORMATION PURSUANT TO 11 U.S.C. §§ 105(A), 1102(B) AND 1103(C)**

Propex Inc. (“Propex”) and its affiliated debtors and debtors in possession (collectively with Propex, the “Debtors”)¹ and the Official Committee of Unsecured Creditors of Propex (the “Committee”),

¹ The Debtors are the following entities: Propex Holdings, Inc.; Propex Concrete Systems Corporation; Propex Fabrics International Holdings I Inc.; and Propex Fabrics International Holdings II Inc.

by and through their respective counsel, hereby enter into this stipulation and agreed order (the “Stipulation and Order”) and stipulate and agree as follows:

RECITALS

WHEREAS, on or about January 18, 2008 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Tennessee, Southern Division (the “Court”). Since the Petition Date, the Debtors have continued in possession of their property and have continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On January 22, 2008, the Court entered an order jointly administering these chapter 11 cases pursuant to Bankruptcy Rule 1015 for procedural purposes only;

WHEREAS, on January 25, 2008, pursuant to section 1102 of the Bankruptcy Code, the United States Trustee appointed the Committee. The Committee currently consists of five members;²

WHEREAS, in order to ensure that the Committee is able to comply with its obligations under section 1102(b)(3)(A) of the Bankruptcy Code and protect the Debtors’ confidential, privileged or proprietary information, the Debtors and the Committee have agreed to the Creditor Information Protocol (defined below); and

WHEREAS, in advance of filing the Stipulation and Order, the Committee provided the United States Trustee with a draft of this Stipulation and Order, and the United States Trustee has no objection to the Stipulation and Order.

AGREED ORDER

IT IS THEREFORE AGREED AND, UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED THAT:³

² The Committee is comprised of the following entities: Wilmington Trust Company; Pension Benefit Guaranty Corporation; Total Petrochemicals USA, Inc.; BP Corporation North America Inc.; and SMH Capital Advisors, Inc.

1. Access To Creditor Information. In satisfaction of the Committee’s obligations to provide access to information for creditors (the “Creditor Information Protocol”) in accordance with section 1102(b)(3)(A) and (B) of the Bankruptcy Code, the Committee shall, until the earliest to occur of dissolution of the Committee, dismissal, or conversion of these chapter 11 cases, and a further order of the Court:

(a) Establish and maintain an Internet-accessed website (the “Committee Website”) that provides, without limitation:

- (1) general information concerning the Debtors, including, case dockets, access to docket filings, and general information concerning significant parties in the cases;
- (2) monthly Committee written reports summarizing recent proceedings, events and public financial information;
- (3) highlights of significant events in the cases;
- (4) a calendar with upcoming significant events in the cases;
- (5) access to the claims docket as and when established by the Debtors or any claim agent retained in the cases;
- (6) a general overview of the chapter 11 process;
- (7) press releases (if any) issued by each of the Committee and the Debtors;
- (8) a non-public registration form for creditors to request “real-time” case updates via electronic mail;
- (9) a non-public form to submit creditor questions, comments and requests for access to information;
- (10) responses to creditor questions, comments and requests for access to information; provided, that the Committee may privately provide such responses in the exercise of its reasonable discretion, including in the light of the nature of the information request and the creditor’s agreements to appropriate confidentiality and trading constraints;

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact, as appropriate.

- (11) answers to frequently asked questions; and
- (12) links to other relevant websites.

(b) Distribute case updates via electronic mail for creditors that have registered for this service on the Committee website.

(c) Establish and maintain a telephone number and electronic mail address for creditors to submit questions and comments.

2. Privileged and Confidential Information. The Committee shall not be required to disseminate to any entity (all references to “entity” herein shall be as defined in section 101(15) of the Bankruptcy Code, “Entity”): (i) without further order of the Court, confidential, proprietary, or other non-public information concerning the Debtors or the Committee, including (without limitation) with respect to the acts, conduct, assets, liabilities and financial condition of the Debtors, the operation of the Debtors’ business and the desirability of the continuance of such business, or any other matter relevant to these cases or to the formulation of one or more chapter 11 plans (including any and all confidential, proprietary, or other non-public materials of the Committee) whether provided (voluntarily or involuntarily) by or on behalf of the Debtors or by any third party or prepared by or for the Committee (collectively, the “Confidential Information”) or (ii) any other information if the effect of such disclosure would constitute a general waiver of the attorney-client, work-product, or other applicable privilege possessed by the Committee.

3. Any information received (formally or informally) by the Committee from any Entity in connection with an examination pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure or in connection with any formal or informal discovery in any contested matter, adversary proceeding or other litigation shall not be governed by the terms of this Order but, rather, by any order governing such discovery.

4. The Debtors shall assist the Committee in identifying any Confidential Information concerning the Debtors that is provided by the Debtors or their agents or professionals, or by any third party, to the Committee, its agents and professionals.

5. Creditor Information Requests. If a creditor (the “Requesting Creditor”) submits a written request (including on the Committee Website or by electronic mail) (the “Information Request”) for the Committee to disclose information, the Committee shall (a) as soon as practicable, but no more than twenty (20) days after receipt of the Information Request, provide a response to the Information Request (including on the Committee Website) (the “Response”), including providing access to the information requested or the reasons the Information Request cannot be complied with and (b) provide the Debtors with (i) notice of the Information Request within five (5) business days of the Information Request and (ii) a copy of the Response. If the Response is to deny the Request because the Committee believes the Information Request implicates Confidential Information that need not be disclosed pursuant to the terms of this Order or otherwise under 11 U.S.C. § 1102(b)(3)(A), or that the Information Request is unduly burdensome, the Requesting Creditor may, after a good faith effort to meet and confer with an authorized representative of the Committee regarding the Information Request and the Response, seek to compel such disclosure for cause pursuant to a motion. Such motion shall be served and the hearing on such motion shall be noticed and scheduled pursuant to the Order Authorizing and Approving the Retention of and Appointing Epiq Bankruptcy Solutions, LLC as Claims, Noticing, and Balloting Agent and Establishing Notice and Administrative Procedures, entered by this Court on January 23, 2008 (the “Case Management Order”). The Committee shall not object to any Requesting Creditor’s request to participate in any such hearing by telephone conference. Nothing herein shall be deemed to preclude the Requesting Creditor from requesting (or the Committee objecting to such request) that the Committee provide the Requesting Creditor a log or other index of any information specifically responsive to the Requesting Creditor’s request that the Committee deems to be Confidential Information or protected by the attorney/client, work product, or any other privilege. Furthermore, nothing herein shall be deemed to preclude the Requesting Creditor from requesting that the Court conduct an in camera review of any information specifically responsive to the Requesting Creditor’s request that the Committee claims is Confidential Information or subject to the attorney/client, work product, or other privilege.

6. In its Response to an Information Request for access to Confidential Information, the Committee shall consider whether (a) the Requesting Creditor is willing to agree to reasonable confidentiality and trading restrictions with respect to such Confidential Information and represents that such trading restrictions and any information-screening process complies with applicable securities laws; and (b) under the particular facts, such agreement and any information-screening process that it implements will reasonably protect the confidentiality of such information; provided, however, that if the Committee elects to provide access to Confidential Information on the basis of such confidentiality and trading restrictions, the Committee shall have no responsibility for the Requesting Creditor's compliance with, or liability for violation of, applicable securities or other laws. Any disputes with respect to this paragraph shall be resolved as provided in the preceding paragraph, and, to the extent applicable, the next paragraph.

7. Release of Confidential Information of Third Parties. In addition, if the Information Request implicates Confidential Information of the Debtors (or any other Entity) and the Committee agrees that such request should be satisfied, or if the Committee on its own wishes to disclose such Confidential Information to creditors, the Committee may demand (the "Demand") for the benefit of the Debtors' creditors: (a) if the Confidential Information is information of the Debtors, by submitting a written request, each captioned as a "Committee Information Demand," to King & Spalding, LLP, counsel for the Debtors, 1100 Louisiana, Suite 4000, Houston, Texas 77002, Attention: Edward L. Ripley. <ERipley@kslaw.com> ("Debtors' Counsel"), stating that such information will be disclosed in the manner described in the Demand unless the Debtors object to such Demand on or before fifteen (15) days after the service of such Demand; and, after the lodging of such an objection, the Committee, the Requesting Creditor and the Debtors may schedule a hearing with the Court pursuant to the Case Management Order seeking a ruling with respect to the Demand under 11 U.S.C. § 704(a)(7); and (b) if the Confidential Information is information of another Entity, by submitting a written request to such Entity and its counsel of record, with a copy to Debtors' Counsel, stating that such information will be disclosed in the manner described in the Demand unless such Entity objects to such Demand on or before

fifteen (15) days after the service of such Demand; and, after the lodging of such an objection, the Committee, the Requesting Creditor, such Entity and the Debtors may schedule a hearing with the Court pursuant to the Case Management Order seeking a ruling with respect to the Demand. In the event that an objection by the Debtors or another Entity is made with respect to Confidential Information, the Committee shall not provide any such Confidential Information to the Requesting Creditor without a hearing and any applicable Court order.

8. Nothing in this Order requires the Committee to provide access to information or solicit comments from any Entity that has not demonstrated to the satisfaction of the Committee, in its sole discretion, or to the Court, that it holds claims of the kind described in section 1102(b)(3) of the Bankruptcy Code.

9. Exculpation. None of the Debtors, the Committee or any of their respective directors, officers, employees, members, attorneys, consultants, advisors and agents (acting in such capacity) (collectively, the “Exculpated Parties”), shall have or incur any liability to any Entity (including the Debtors and their affiliates) for any act taken or omitted to be taken in connection with the preparation, dissemination, or implementation of the Creditor Information Protocol, the Committee Website and other information to be provided pursuant to section 1102(b)(3) of the Bankruptcy Code; provided, however, that the foregoing shall not affect the liability of any Exculpated Party protected pursuant to this paragraph 11 that otherwise would result from any such act or omission to the extent that such act or omission is determined in a final non-appealable order to have constituted a breach of fiduciary duty, gross negligence, or willful misconduct, including, without limitation, fraud and criminal misconduct, or the breach of any confidentiality agreement or Order. Without limiting the foregoing, the exculpation provided in this paragraph shall be coextensive with any Exculpated Party’s qualified immunity under applicable law.

10. This Order shall be effective as of January 25, 2008, however, the terms of this Order shall apply to all information governed by this Order, including information in the Committee’s possession prior to January 25, 2008.

11. This Order shall be binding in all respects upon the Debtors and any successors

thereto.

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Date: March 5, 2008

Date: March 5, 2008

/s/ Ira S. Dizengoff

Ira S. Dizengoff (ID-9980) (admitted *pro hac vice*)
James R. Savin (JS-9220) (admitted *pro hac vice*)
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/s/ Shelley D. Rucker

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Attorneys for the Official Committee of Unsecured
Creditors of Propex Inc., et al.

Attorneys for the Debtors and the Debtors in
Possession

No Objection.

/s/ Kim Swafford

Kim Swafford

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