

## MEMORANDUM

July 2, 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’ Expedited Motion Under 11 U.S.C. §§ 105(a) and 331 for an Order Relieving Houlihan Lokey Howard & Zukin Capital, Inc. and FTI Consulting, Inc. from Filing Interim Fee Applications (the “Motion”)**

By the Motion, the Debtors seek entry of an order clarifying that Houlihan Lokey Howard & Zukin Capital, Inc. (“Houlihan Lokey”) and FTI Consulting, Inc. (“FTI”) are relieved of the obligation to file interim fee applications.

According to the Motion, the order governing the compensation of professionals (the “Interim Compensation Order”) provides that certain professionals employed in these cases may file interim applications for compensation and expenses, subject to certain holdback requirements. According to the Motion, however, the Interim Compensation Order does not apply to certain professionals, including any financial advisors retained by the Debtors. The Motion further asserts that the order governing Houlihan Lokey’s retention (the “Houlihan Lokey Order”) does not require Houlihan Lokey to file interim fee applications with the Court. The Motion contends, however, that such a provision was inadvertently included in the order governing FTI’s retention (the “FTI Order”). The Motion therefore requests that the Court enter an order relieving both Houlihan Lokey and FTI from filing interim fee applications. Under this request, both Houlihan Lokey and FTI will still be required to file final fee applications that will be subject to the approval of the Court.

**The hearing date on the Motion is scheduled for July 9, 2008 at 9:00 a.m. (ET). The deadline to object to the Motion is July 7, 2008 at 5:00 PM (ET).**