

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF GEORGIA
BRUNSWICK DIVISION

2002 DEC 20 P 12:43

U.S. BANKRUPTCY COURT
SOUTHERN DISTRICT OF GEORGIA

DURANGO GEORGIA PAPER COMPANY;	:	
FEIN: 13-4046070	:	CHAPTER 11
DURANGO GEORGIA CONVERTING CORP.;	:	CASE NO. 02-21669
DURANGO GEORGIA CONVERTING, LLC;	:	
1000 OSBORNE STREET	:	
ST. MARY'S, GEORGIA 31558,	:	
DEBTORS	:	

APPLICATION TO APPROVE EMPLOYMENT OF ATTORNEYS
FOR OFFICIAL COMMITTEE OF UNSECURED CREDITORS

The Application of the Official Committee of Unsecured Creditors, respectfully
represents:

1.

That on October 29, 2002, an Involuntary Bankruptcy Petition was filed against Durango Georgia Paper Company, one of the above-referenced Debtors. The remaining named Debtors each filed Voluntary Petitions for relief under Chapter 11 of the United States Bankruptcy Code on November 19, 2002, and Durango Georgia Paper Company consented to the entry of an Order for Relief and converted its case to a case under Chapter 11 on such date. The cases are being jointly administered.

2.

By Notice dated December 9, 2002, the United States Trustee appointed the Official Committee of Unsecured Creditors was appointed in the jointly administered case, a copy of which Notice is attached hereto and incorporated herein by this reference.

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3.

The Official Committee of Unsecured Creditors (the "Committee") wishes to employ the law firm of Stone & Baxter, LLP of Macon, Georgia as its attorneys in this case, as evidenced by an excerpt from the Minutes of the Committee, a copy of which is attached hereto and incorporated herein by this reference.

4.

Members of the law firm of Stone & Baxter, LLP are admitted to practice in this Court and have knowledge and experience in bankruptcy practice and are well qualified to represent the Applicant.

5.

In carrying out Applicant's duties as the Official Committee of Unsecured Creditors, it will be necessary for various services to be rendered, for which it is necessary to retain attorneys, among these services being:

- (a) To give the Committee legal advice with respect to its powers and duties as the Official Committee of Unsecured Creditors;
- (b) To prepare on behalf of the Committee necessary applications, reports, and other legal papers;
- (c) To prepare motions, pleadings, and applications and to conduct examinations incidental to the powers and duties of the Committee, as provided under 11 U.S.C. § 1103;
- (d) To investigate the Debtor and causes of action of the Debtor against insiders or any other matters respecting the Debtor or the Estate, or the possibility or

desirability of selling the assets of the Estate or reorganizing the Debtor, as may be appropriate in the case; and

- (e) To take all such other action as may be necessary to represent the interests of the Committee in connection with the Bankruptcy Case, or otherwise.

6.

To the best of the Committee's knowledge, Stone & Baxter, LLP has no connection with the Debtor, the Debtor's creditors, or any other party in interest or its respective attorneys except as shown on the Affidavit of Ward Stone, Jr., annexed hereto.

7.

The terms of the employment of the law firm of Stone & Baxter, LLP agreed to by the Committee, subject to the approval of the Court are set forth in an engagement letter from such firm to the Committee, effective December 9, 2002, a copy of which is attached hereto.

8.

As stated in such letter, such services will be performed upon a time-billing basis at the standard hourly rates of the attorneys or other employees of the firm in performing services, which range upward from \$135.00 per hour for attorneys and \$75.00 per hour for each research assistant, and \$60.00 per hour for each paralegal, including travel time. Such hourly rates are subject to periodic adjustment by Stone & Baxter, LLP in accordance with their usual firm changes in billing rates to reflect increased experience and expertise of the individuals involved. It was further agreed that, if at the conclusion of the case, the results merit it, and the Committee approves of the same, the law firm may make application to the Court for an

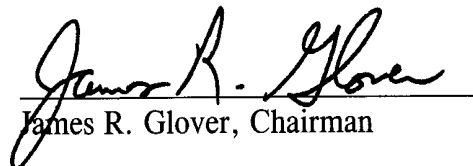
allowance of a premium above their standard billing rates. All compensation is subject to approval of the Bankruptcy Court, in accordance with the requirements of the Bankruptcy Code.

9.

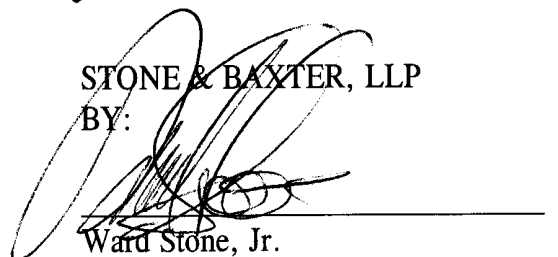
Stone & Baxter, LLP does not hold or represent any interest adverse to the Committee in the matters upon which it is to be engaged by the Committee and its employment is in the best interest of this Estate, and the Committee seeks to employ them upon a general retainer.

WHEREFORE, the Committee prays that the employment of Stone & Baxter, LLP under general retainer upon the terms specified to represent as the Official Committee of Unsecured Creditors, be approved, effective December 9, 2002, and that it have such other and further relief as is just.

THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF
DURANGO GEORGIA PAPER COMPANY
BY:


James R. Glover, Chairman

STONE & BAXTER, LLP
BY:


Ward Stone, Jr.
Georgia Bar No. 684630
577 Mulberry Street, Suite 800
Macon, Georgia 31201
(478) 750-9898; (478) 750-9899 (fax)

OFFICE OF THE UNITED STATES TRUSTEE
FOR THE SOUTHERN DISTRICT OF GEORGIA

In re:	§	Chapter 11
	§	
DURANGO GEORGIA PAPER COMPANY	§	Case Number 02-21669-LWD
DURANGO GEORGIA CONVERTING CORP.	§	
DURANGO GEORGIA CONVERTING LLC,	§	Jointly Administered
	§	
Debtors.	§	

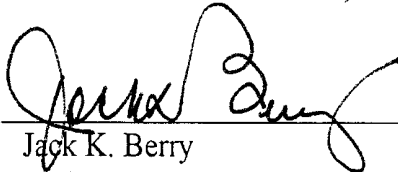
APPOINTMENT OF COMMITTEE OF UNSECURED CREDITORS

Pursuant to Sections 1102(a) and 1102(b)(1) of the Bankruptcy Code, the following creditors of the above-named debtor being among those holding the largest unsecured claims (or who are members of a committee organized by creditors before the order of relief under Chapter 11 of the Bankruptcy Code which was fairly chosen and is representative of the different kinds of claims to be represented) and who are willing to serve, are appointed to the committee of unsecured creditors:

1. CSX Transportation, Inc. 301 West Bay Street
BellSouth Tower, 21st Floor, J-780
Jacksonville, Florida 32202
2. Alloy Cladding Company, Inc. 16170 Old U. S. 41
Ft. Myers, Florida 33912
3. Westside Electric, Inc. 4301 Faye Road
Jacksonville, Florida 32226
4. Converse & Company, Inc. Post Office Box 18156
Spartanburg, South Carolina 29318-8156
5. J. Walter Construction Co., Inc. 223 U. S. Highway 17, South, Unit I
Yulee, Florida 32097
6. Alley-Cassetty Coal Co. Post Office Box 23305
Nashville, Tennessee 37202
7. Corporate Traffic, Inc. 2120 Corporate Square Blvd., Ste. #22
Jacksonville, Florida 32216
8. Atlanta Intercel Div. International Cellulose, Inc.
1240 Metropolitan Parkway
Atlanta, Georgia 30310

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| 9. | Penford Products Co. | Post Office Box 428
Cedar Rapids, Iowa 52406 |
| 10. | Clariant Corporation | c/o Robert M. Cunningham, P.C.
1519 Glynn Avenue
Brunswick, Georgia 31520 |
| 11. | Dart Transit Company | 800 Lone Oak Road
Eagan, Minnesota 55121 |
| 12. | International Association of
Machinists and Aerospace
Workers, St. Marys Lodge #1128 | 277 Tallulah Avenue
Jacksonville, Florida 32208 |
| 13. | Paper, Allied-Industrial Chemical
and Energy Workers Union | 3340 Perimeter Hill Drive
Nashville, Tennessee 37711 |

C. DAVID BUTLER
UNITED STATES TRUSTEE, REGION 21

By: 

Jack K. Berry
Assistant United States Trustee

Dated: December 9th, 2002.

Post Office Box 10230
Savannah, Georgia 31412
912/652-4112
Georgia Bar #055400

STATE OF GEORGIA)
)
COUNTY OF CHATHAM)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the within and foregoing Appointment of Committee of Unsecured Creditors has this day been served upon the following by mailing a copy of the same through the United States Mail bearing sufficient postage thereon:

Durango Georgia Paper Company
1000 Osborne Street
St. Marys, Georgia 31558

Ms. Dolly Chisholm
Attorney at Law
17 W. McDonough Street
Savannah, Georgia 31401

Mr. Michael M. Beal
Attorney at Law
Post Office Box 11390
Columbia, South Carolina 29211

CSX Transportation, Inc.
301 West Bay Street
BellSouth Tower, 21st Floor, J-780
Jacksonville, Florida 32202

Mr. W. Brooks Stillwell
Attorney at Law
Post Office Box 9848
Savannah, Georgia 31412

Alloy Cladding Company, Inc.
16170 Old U. S. 41
Ft. Myers, Florida 33912

Mr. Ward Stone, Jr.
Attorney at Law
577 Mulberry Street, Ste. 1111
Macon, Georgia 31201

Westside Electric, Inc.
4301 Faye Road
Jacksonville, Florida 32226

Mr. R. Flay Cabiness
Attorney at Law
Post Office Box 1513
Brunswick, Georgia 31521

Converse & Company, Inc.
Post Office Box 18156
Spartanburg, South Carolina 29318-8156

Ms. Kathleen Horne
Attorney at Law
17 W. McDonough Street
Savannah, Georgia 31401-4317

J. Walter Construction Co., Inc.
223 U. S. Highway 17, South, Unit I
Yulee, Florida 32097

Alley-Cassetty Coal Co.
Post Office Box 23305
Nashville, Tennessee 37202

Corporate Traffic, Inc.
2120 Corporate Square Blvd., Ste. #22
Jacksonville, Florida 32216

Penford Products Co.
Post Office Box 428
Cedar Rapids, Iowa 52406

Clariant Corporation
c/o Robert M. Cunningham, P.C.
1519 Glynn Avenue
Brunswick, Georgia 31520

Paper, Allied-Industrial Chemical
and Energy Workers International Union
3340 Perimeter Hill Drive
Nashville, Tennessee 37711

Atlanta Intercel
Div. International Cellulose, Inc.
1240 Metropolitan Parkway
Atlanta, Georgia 30310

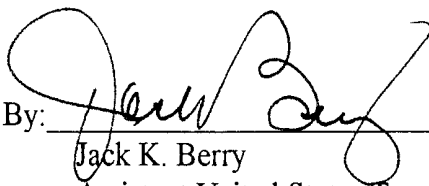
Dart Transit Company
800 Lone Oak Road
Eagan, MN 55121

International Association of Machinists
and Aerospace Workers Union, St. Marys
Lodge #1128
277 Tallulah Avenue
Jacksonville, Florida 32208

Mr. Frederick Perillo
Attorney at Law
Post Office Box 12993
Milwaukee, Wisconsin 53212

This 9th day of December, 2002.

C. DAVID BUTLER
UNITED STATES TRUSTEE, REGION 21

By: 
Jack K. Berry
Assistant United States Trustee

Post Office Box 10230
Savannah, Georgia 31412
(912) 652-4112
Georgia Bar #055400

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF GEORGIA
BRUNSWICK DIVISION

DURANGO GEORGIA PAPER COMPANY;
DURANGO GEORGIA CONVERTING CORP.; : CHAPTER 11
DURANGO GEORGIA CONVERTING, LLC.; : CASE NO. 02-21669
1000 OSBORNE STREET :
ST. MARY'S, GEORGIA 31558, :

DEBTORS

AFFIDAVIT OF PROPOSED ATTORNEYS

STATE OF GEORGIA
COUNTY OF BIBB

Personally appeared before the undersigned attesting authority authorized by law to administer oaths, Ward Stone, Jr., who, after first being duly sworn, deposes and says as follows:

1.

That he is a partner in the firm of Stone & Baxter, LLP, a limited liability partnership, and that he is authorized to make this Affidavit; and that this Affidavit is made upon his personal knowledge.

2.

All attorneys employed by Stone & Baxter, LLP are attorneys and counselors at law, duly admitted to practice in the State of Georgia and admitted to practice in Federal Court. Stone & Baxter, LLP employs the following attorneys who are admitted to practice in this Court: Ward Stone, Jr.; D. Mark Baxter; Thomas M. Browder III; Mark S. Watson; Austin E. Carter (application pending) and George H. McCallum (application pending) and maintains offices at Suite 800, 577 Mulberry Street, Macon, Georgia 31201.

3.

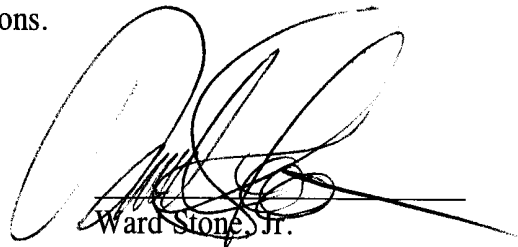
Neither Stone & Baxter, LLP, nor any attorney employed thereby have had any connection with the above-named Debtor, its creditors or any other person in interest herein or their respective attorneys, except as follows:

- (a) Stone & Baxter, LLP has consulted with the Committee of Unsecured Creditors in connection with its rights and responsibilities in connection with this Bankruptcy Case.
- (b) Stone & Baxter, LLP has represented the unsecured Petitioning Creditors in the above-captioned Bankruptcy Case, which was commenced by the filing of an Involuntary Petition under 11 U.S.C. §303, to wit: Beasley Forest Products, Inc.; Triple H. Specialty Company; Triple Oak Land & Timber, Inc.; Andrews Land & Timber, Inc.; Durden Timber Company, Inc.; and Millwood Timber, Inc. Stone & Baxter also represented Callahan Timber Company, Inc. an unsecured, participating, but not a Petitioning Creditor in connection with the filing of the Involuntary Petition. Stone & Baxter will prepare a petition for reimbursement of expenses and professional fees incurred by the Petitioning Creditors and the participating creditor as administrative expenses, as authorized under 11 U.S.C. §503(a)(3)(A) and (4), which multiple representation has been specifically consented to by the Creditor's Committee. Thereafter, Stone & Baxter will represent only the Creditor's Committee in connection with the Case.
- (c) Stone & Baxter represents GATX Financial Corporation, a lessor of railcars to Saint Mary's Railroad Company, an Affiliate of the Debtors. The leases expire December 31, 2002 and have been requested cancelled by the Debtors' Affiliate. Stone & Baxter has not been formally engaged to represent any interest of GATX Financial Corporation in connection with the case, but has made informal inquiries upon its behalf. GATX is not anticipated to hold other than a general unsecured claim in the Case.

- (d) Stone & Baxter, LLP has represented Westside Electric, Inc., a member of the Creditor's Committee in connection with the Case.
- (e) Stone & Baxter, LLP may, from time to time, have represented one or more additional creditors of the Debtor. However, except as disclosed in subparagraphs (b) ,(c) and (d), above, Stone & Baxter, LLP does not currently represent any creditor of the Debtor in connection with any claim against the Debtor and will not represent any such creditor in connection with the case.

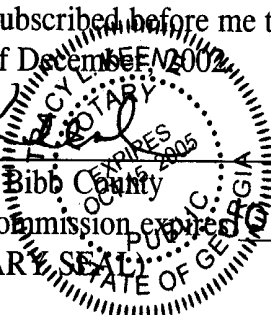
4.

To the best of Affiant's knowledge, information and belief, neither Stone & Baxter, LLP nor any attorney employed thereby holds or represents an interest adverse to this bankruptcy estate, or the Committee of Unsecured Creditors upon the matters upon which we are to be engaged and are disinterested persons.



Ward Stone, Jr.

Sworn to and subscribed before me this 17 day of December 2002



Nancy K. [Signature]
 Notary Public, Bibb County
 Georgia, My commission expires 06/15/05
 (AFFIX NOTARY SEAL)