

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)
) Chapter 11
)
TRIAD GUARANTY INC.,¹) Case No. 13-11452 (MFW)
)
)
Debtor.)
)
)
) Re: Docket No. 35
)

**ORDER AUTHORIZING THE DEBTOR'S RETENTION AND COMPENSATION OF
CERTAIN PROFESSIONALS UTILIZED IN THE ORDINARY COURSE OF BUSINESS**

Upon the motion (the "Motion")² of Triad Guaranty Inc., the debtor and debtor-in-possession (the "Debtor") in the above-captioned case, for entry of an order (this "Order"), authorizing the Debtor to retain and compensate professionals utilized in the ordinary course of business, as more fully set forth in the Motion; and the Court having found that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate and parties in interest; and the Court having found that the Debtor provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances; and the Court having reviewed the Motion and having heard any statements in support of the relief requested therein at a hearing before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at any

¹ The last four digits of the Debtor's federal taxpayer identification number are 8519. The location of the Debtor's headquarters and the Debtor's service address is 1900 Crestwood Blvd., Birmingham, AL 35210.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted to the extent set forth herein.

2. Pursuant to Bankruptcy Code sections 105, 327, 328, 330, and 331, the Debtor is authorized to retain and pay the professionals identified on the OCP List (each, an “OCP”), attached as Exhibit B to the Motion, in the ordinary course of business pursuant to the following OCP Procedures.

- a. Within 30 days of the date following the Petition Date on which an OCP commences work for the Debtor, each OCP on the OCP List shall file with the Court a disclosure declaration (each a “Disclosure Declaration”), substantially in the form attached as Exhibit 1 to Exhibit A attached hereto, and serve the Disclosure Declaration upon: (i) Triad Guaranty Inc., 1900 Crestwood Blvd., Birmingham, AL 35210, Attn.: William T. Ratliff, III; (ii) proposed counsel for the Debtor, Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Avenue, Suite 1501, Wilmington, Delaware 19801, Attn.: Francis A. Monaco, Jr.; (iii) proposed special counsel for the Debtor, Morrison & Foerster LLP, 1290 Avenue of the Americas, New York, NY 10140, Attn.: Anthony Princi; (iv) The Office of the United States Trustee for the District of Delaware, J. Caleb Boggs Federal Building, 844 King Street, Suite 2207, Wilmington, Delaware 19801, Attn.: Jane M. Leamy; and (v) proposed counsel to any official committee appointed in this chapter 11 case (collectively, the “Notice Parties”).
- b. The Notice Parties shall have ten days after the date of filing of each OCP’s Disclosure Declaration (the “Objection Deadline”) to object to the retention of such OCP. The objecting party shall file any such objection and serve such objection upon the Notice Parties and the respective OCP on or before the Objection Deadline. If any such objection cannot be resolved within ten days of its receipt, the matter shall be scheduled for hearing before the Court at the next regularly scheduled omnibus hearing date that is no less than ten days from that date or on a date otherwise agreeable to the parties. The Debtor shall not be authorized to retain and pay such OCP until all outstanding objections have been withdrawn, resolved, or overruled by order of the Court.
- c. If no objection is received from any of the Notice Parties by the Objection Deadline with respect to any particular OCP, the Debtor shall be

authorized to retain such OCP as of the date such OCP commenced providing services to the Debtor and pay such OCP as set forth below.

- d. The Debtor shall be authorized to pay, without formal application to the Court by any OCP, 100% of the fees and disbursements to each of the OCPs retained by the Debtor pursuant to the OCP Procedures upon submission to the Debtor of an appropriate invoice setting forth in reasonable detail the nature of the services rendered after the Petition Date; provided, however, that fees paid to OCPs, excluding costs and disbursements, may not exceed \$25,000 in the aggregate per month per OCP, calculated as an average over a rolling three-month period while these chapter 11 cases are pending (the "OCP Cap").
- e. Any payments to an OCP in excess of the OCP Cap shall be subject to prior approval of the Court in accordance with Bankruptcy Code sections 330 and 331, the Bankruptcy Rules, the Local Bankruptcy Rules, the Fee Guidelines promulgated by the Executive Office of the United States Trustee, and any applicable orders of the Court.
- f. Beginning on the quarter ending August 31, 2013, and for each quarter thereafter in which this chapter 11 case is pending, the Debtor shall within 25 days thereof file with the Court and serve on the Notice Parties a statement with respect to each OCP paid during the immediately preceding three-month period. Each OCP's statement shall include (i) the name of the OCP, (ii) the aggregate amounts paid as compensation for services rendered and reimbursement of expenses incurred by that OCP during the reported quarter, and (iii) a general description of the services rendered by that OCP.

3. The Debtor is authorized to supplement the OCP List as necessary to add or remove OCPs, from time to time, without the need for any further hearing and without the need to file individual retention applications for newly added OCPs. In such event, the Debtor shall file the amended OCP List with the Court and serve such list on the Notice Parties. Each additional OCP listed in the OCP List shall serve a Disclosure Declaration on the Notice Parties as provided in the OCP Procedures. If no objections are timely filed to any such additional OCP's Disclosure Declaration, then retention of such OCPs shall be deemed approved by the Court pursuant to this Order without a hearing or further order.

4. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

5. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: July __, 2013

The Honorable Mary F. Walrath
United States Bankruptcy Judge

Exhibit 1

Disclosure Declaration

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

)	
In re:)	Chapter 11
TRIAD GUARANTY INC., ¹)	Case No. 13-11452 (MFW)
Debtor.)	
)	
)	
)	
)	

DISCLOSURE DECLARATION

I, _____, declare (the “Declaration”) under penalty of perjury:

1. I am a [position] of [Company], located at [Street, City, State, Zip Code] (the “Professional”).

2. Triad Guaranty Inc., the debtor and debtor-in-possession (the “Debtor”) in the above-captioned case, has requested that the Professional provide [specific description of services] to the Debtor, and the Professional has consented to provide such services.

3. The Professional may have performed services in the past, may currently perform services, and may perform services in the future, in matters unrelated to the Debtor’s chapter 11 case, for persons that are parties in interest in this chapter 11 case. The Professional does not perform services for any such person in connection with the Debtor’s chapter 11 case, or have any relationship with any such person, their attorneys, or accountants that would be adverse to the Debtor or its estate.

¹ The last four digits of the Debtor’s federal taxpayer identification number are 8519. The location of the Debtor’s headquarters and the Debtor’s service address is 1900 Crestwood Blvd., Birmingham, AL 35210.

4. As part of its customary practice, the Professional is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be employed by the Debtor, claimants, and parties-in-interest in the Debtor's chapter 11 case.

5. Neither I, nor any principal, partner, director, or officer of, or professional employed by, the Professional has agreed to share or will share any portion of the compensation to be received from the Debtor with any other person other than the principal and regular employees of the Professional.

6. Neither I nor any principal, partner, director, or officer of, or professional employed by, the Professional, insofar as I have been able to ascertain, holds, or represents any interest adverse to the Debtor or its estate with respect to the matter(s) upon which the Professional is to be employed.

7. The Debtor owes the Professional \$[] for prepetition services, the payment of which is subject to limitations contained in title 11 of the United States Code, 11 U.S.C. §§ 101 et seq.

8. As of [], 2013, the Professional [was/was not] party to an agreement for indemnification with the Debtor. A copy of such agreement is attached as **Exhibit []** to this Declaration.

9. If, in the future, the Professional should discover any facts bearing on the matters described herein, the Professional will supplement the information contained in this Declaration.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: _____, 2013

[DECLARANT]