

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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<i>In re</i>	: Chapter 11
	:
EXIDE TECHNOLOGIES	: Case No. 13-11482 (KJC)
	:
Debtor.	: Objection Deadline: Feb. 21, 2015 at
	: 4:00 PM (EST)
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	: Hearing Date: TBD
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**NOTICE OF SIXTH INTERIM FEE APPLICATION
OF SHEPPARD, MULLIN, RICHTER AND HAMPTON LLP
FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT
OF EXPENSES AS SPECIAL COUNSEL TO THE DEBTOR FOR THE PERIOD
FROM SEPTEMBER 1, 2014 THROUGH AND INCLUDING NOVEMBER 30, 2014**

PLEASE TAKE NOTICE that, on October 30, 2014, Sheppard, Mullin, Richter & Hampton LLP as Special Counsel to Exide Technologies (the “Debtor”) in the above-captioned case, filed the *Sixth Interim Fee Application of Sheppard, Mullin, Richter & Hampton LLP for Compensation for Services Rendered and Reimbursement of Expenses As Special Counsel to the Debtor for the Period From September 1, 2014 Through November 30, 2014* (the “Application”).

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Application, must: (a) filed with the Clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, **by February 21, 2014 at 4:00 p.m. (Eastern Time)** (the “Objection Deadline”)¹; and (b) be served so as to be received on or before the Objection Deadline by:

¹ This deadline does not include the Fee Examiner.

(i) the Applicant: Sheppard, Mullin, Richter & Hampton LLP, 30 Rockefeller Plz, Flr 39, New York, NY 10112, Attn: Carren B. Shulman

(ii) the Debtors: c/o Exide Technologies, 13000 Deerfield Parkway, Building 200, Milton, GA 30004, Attn: Phillip A. Damaska;

(iii) counsel for the Debtors: Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036, Attn: Kenneth S. Ziman and J. Eric Ivester and Rodney Square, 1100 North Market Street, Wilmington, DE 19801, Attn: Anthony W. Clark and 155 N. Wacker Drive, Chicago, IL 60606-1720, Attn: James J. Mazza, Jr.;

(iv) the Office of the United States Trustee: 844 North King Street, Room 2207, Lockbox 35, Wilmington, DE 19801, Attn: Mark S. Kenney, Esq.;

(v) co-counsel to the Official Committee of Unsecured Creditors: Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, DE 19801, Attn: Robert J. Dehney and Eric D. Schwartz, Esq.;

(vi) counsel to the agent under the debtor in possession financing: Davis, Polk & Wardwell LLP, 450 Lexington Avenue, New York, NY 10017, Attn: Damian S. Schaible and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attn: Mark D. Collins;

(vii) counsel to the agent for the Debtor's prepetition secured lenders: Greenberg Traurig, LLP, 3333 Piedmont Road NE, Suite 2500, Atlanta, GA 30305, Attn: David B. Kurzweil and 1007 N. Orange Street, Suite 1200, Wilmington, DE 19801, Attn: Dennis A. Meloro;

(viii) the indenture trustee for the Debtor's secured bond issuances and its counsel: Wells Fargo Bank, N.A., 150 East 42nd Street, 40th Floor, New York, NY 10017, Attn: James R. Lewis and Foley & Lardner LLP, 321 North Clark Street, Suite 2800, Chicago, IL

60654, Attn: Mark F. Hebbeln;

(ix) the indenture trustee for the Debtor's unsecured bond issuances and its counsel: U.S. Bank National Association, Global Corporate Trust Services, 60 Livingston Avenue, EP-MN-WSID, St. Paul, MN 55107, Attn: Cindy Woodward and Arent Fox LLP, 1675 Broadway, New York, NY 10019, Attn: Andrew Silfen; and

(x) counsel to the unofficial committee of senior secured noteholders: Paul, Weiss, Rifking, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019, Attn: Alice Belisle Eaton and Young Conaway Stargatt & Taylor LLP, Rodney Square, 1000 King Street, Wilmington, DE 19801, Attn: Pauline K. Morgan; and

(xi) the fee examiner and his counsel: Bernstein Shur, 100 Middle Street, P.O. Box 9729, Portland, ME 04104-5029, Attn: Robert J. Keach, Michael Fagone, and Sam Anderson.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE APPLICATION, IF NECESSARY, WILL BE HELD AT A DATE AND TIME TO BE DETERMINED BEFORE THE HONORABLE KEVIN J. CAREY, UNITED STATES BANKRUPTCY JUDGE FOR THE DISTRICT OF DELAWARE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 5th FLOOR, COURTROOM 5, 824 NORTH MARKET STREET, WILMINGTON, DELAWARE 19801.

[SIGNATURE PAGE TO FOLLOW]

Dated: January 30, 2015
New York, NY

SHEPPARD MULLIN RICHTER & HAMPTON LLP

/s/ Carren B. Shulman

By: Carren Shulman, *Admitted Pro Hac Vice*

30 Rockefeller Plaza

New York, New York 10112

Telephone: (212) 653-8700

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- and-

Randolph C. Visser, Esq.

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Los Angeles, CA 90071

Telephone: (213) 620-1780

Facsimile: (213) 443-2839

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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In re : **Chapter 11**
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EXIDE TECHNOLOGIES : **Case No. 13-11482 (KJC)**
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Debtor. : **Hearing Date: TBD**
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**SIXTH INTERIM FEE APPLICATION OF
SHEPPARD MULLIN RICHTER AND HAMPTON LLP FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT
OF EXPENSES AS SPECIAL COUNSEL TO THE DEBTOR FOR THE PERIOD
FROM SEPTEMBER 1, 2014 THROUGH AND INCLUDING NOVEMBER 30, 2014**

GENERAL INFORMATION

- | | |
|---|---|
| 1. Name of Applicant: | Sheppard Mullin Richter & Hampton LLP |
| 2. Role of Applicant: | Special Counsel to the Debtor and Debtor in Possession |
| 3. Name of Certifying Professional: | Carren B. Shulman, Esq. |
| 4. Petition Date: | June 10, 2013 |
| 5. Date of application for employment as Special Counsel: | June 19, 2013 [Docket No. 148] |
| 6. Date of final order approving employment: | July 9, 2013 [Docket No. 280]
(<i>Nunc Pro Tunc</i> to June 10, 2013) |
| 7. Date of this Application: | January 30, 2015 |
| 8. Dates of services covered: | September 1, 2014 through November 30, 2014 |
| 9. Amount of compensation sought as actual, reasonable and necessary: | \$1,854,326.85¹ |
| 10. Amount of expense reimbursement sought as actual, reasonable and necessary: | \$57,927.70 |

¹ This total amount includes the \$7,260.50 discount that was applied to the invoices in this interim fee period.

11. Total amount of compensation and expense reimbursement sought as actual, reasonable and necessary: **\$1,912,254.55**

This is a: ___ monthly x interim ___ final application

PRIOR MONTHLY APPLICATIONS:

Date Filed	Doc k. No.	Period Covered	Fees Requested	Expenses Requested	Fees Paid	Expenses Paid
7/26/2013	441	06/10/2013 - 06/30/2013	\$246,148.00 (80% of \$307,685.00)	\$8,718.68	\$246,148.00	\$8,718.68
08/26/2013	590	07/01/2013 - 07/31/2013	\$191,170.80 (80% of \$238,963.50)	\$2,146.27	\$191,170.80	\$2,146.27
09/27/2013	781	08/01/2013 - 08/31/2013	\$185,166.00 (80% of \$231,457.50)	\$1,423.27	\$185,166.00	\$1,423.27
10/25/2013	969	09/01/2013 - 09/30/2013	\$187,690.40 (80% of \$234,613.00)	\$1,423.27	\$187,690.40	\$1,423.27
12/02/2013	1138	10/01/2013 - 10/31/2013	\$321,758.40 (80% of \$402,198.00)	\$4,206.93	\$321,758.40	\$4,206.93
01/03/2014	1210	11/01/2013 - 11/30/2013	\$320,034.00 (80% of \$400,042.50)	\$14,096.69	\$320,034.00	\$14,096.69
01/31/2014	1315	12/01/2013 - 12/31/2013	\$353,995.60 (80% of \$442,494.50)	\$4,675.57	\$353,995.60	\$4,675.57
03/10/2014	1521	01/01/2014 - 01/31/2014	\$487,735.60 (80% of \$609,669.50)	\$13,891.49	\$487,735.60	\$13,891.49
04/09/2014	1659	02/01/2014 - 02/28/2014	\$380,348.40 (80% of 475,435.50)	\$31,529.80	\$380,348.40	\$31,529.80
05/29/2014	1846	03/01/2014 - 03/31/2014	\$546,673.20 (80% of \$683,341.50)	\$15,172.42	\$546,673.20	\$15,172.42
06/13/2014	1899	04/01/2014 - 04/30/2014	\$301,796.00 (80% of \$377,245.00)	\$20,560.44	\$301,796.00	\$20,560.44

07/07/2014	1985	05/01/2014 - 05/31/2014	\$328,381.20 (80% of \$410,476.50)	\$2,798.92	AMENDED	AMENDED
07/28/2014 Amended DN 1985	2077	05/01/2014 - 05/31/2014	\$328,165.20 (80% of \$410,206.50)	\$2,798.92	\$328,165.20	\$2,798.92
08/15/2014	2146	06/01/2014 - 06/30/2014	\$346,175.60 (80% of \$432,719.50)	\$2,284.28	\$346,175.60	\$2,284.28
09/24/2014	2331	07/01/2014 - 07/31/2014	\$426,969.44 ² (80% of \$533,711.80)	\$17,017.34	\$365,232.62	\$17,017.34
10/27/2014	2475	08/01/2014 - 08/30/2014	\$529,687.88 (80% of \$662,109.85)	\$16,921.31	\$529,687.88	\$16,921.31
12/01/2014	2685	09/01/2014 - 09/30/2014	\$513,164.40 (80% of \$641,455.50)	\$44,944.51	\$513,164.40	\$44,944.51
01/14/2015	2926	10/01/2014 - 10/31/2014	\$552,258.40 (80% of \$690,323.00)	\$8,896.26	PENDING	PENDING
01/30/2015	3058	11/01/2014 - 11/30/2014	\$418,038.68 (80% of \$522,548.35)	\$4,086.93	PENDING	PENDING

PRIOR INTERIM APPLICATIONS:

		Requested		Approved	
Date Filed	Period Covered	Fees	Expenses	Fees	Expenses
10/23/13	06/10/13 - 08/31/13	\$778,106.00	\$11,083.18	\$750,677.65	\$9,374.41
02/14/14	09/01/13 - 11/30/13	\$1,036,853.50	\$19,726.89	\$1,004,807.75	\$16,952.27
05/05/14	12/01/13	\$1,527,599.50	\$50,096.86	\$1,505,758 ³	\$44,343.84

² There was a typo on Applicant's monthly fee application for the period of July 1, 2014 to July 31, 2014. Applicant requested \$427,576.24 in fees instead of \$426,969.44, which has been corrected in this chart.

	– 02/28/14				
07/30/14	03/01/14 – 05/31/14	\$1,470,793.00	\$38,531.78	\$1,446,194.45	\$36,117.31
10/30/14	06/1/14 – 08/31/14	\$1,628,541.15	\$36,222.93	PENDING	PENDING

PROFESSIONALS AND PARAPROFESSIONALS PROVIDING SERVICES

Name	Year of Admission	Rate	Hours	Amount
PARTNERS				
Bryan D. Daly	1985	\$850.00	228.3	\$194,055.00
Steven K. Garner	2001	\$610.00	3.3	\$2,013.00
Steven O. Kramer	1978	\$625.00	137.4	\$85,875.00
Charles L. Kreindler	1985	\$800.00	237.1	\$189,680.00
Stephen J. O'Neil	1986	\$600.00	473.8	\$284,280.00
Jeffrey J. Parker	1991	\$600.00	201.9	\$121,140.00
Carren B. Shulman	1992	\$665.00	43.4	\$28,861.00
Oliver F. Theard	2001	\$490.00	385.5	\$188,895.00
Randolph C. Visser	1975	\$600.00	546.2	\$327,720.00
	TOTAL PARTNERS		2256.9	\$1,422,519.00
COUNSEL				
Melissa K. Eaves, Special Counsel	1986	\$590.00	87.7	\$51,743.00
Barbara E. Taylor, Special Counsel	1988	\$560.00	0.9	\$504.00
Robert H. Philibosian, Of Counsel	1968	\$725.00	53	\$38,425.00
	TOTAL COUNSEL		141.6	\$90,672.00
CONTRACT ATTORNEY				
Jeffrey A. Kaye, Contract Attorney	1991	\$535.00	7.7	\$4,119.50
	TOTAL OF COUNSEL		7.7	\$4,119.50

³ The *Second Omnibus Order Allowing Interim Compensation for Services Rendered and Reimbursement of Expenses of Professionals* [Docket No. 2311] approved of \$1,457,619.75 in fees, leaving \$48,138 in fees subject to subsequent approval by the Court upon its consideration of Applicant's Fee Rates Motion (as defined herein). The Court granted Applicant's Fee Rates Motion on October 14, 2014 [Docket No. 2396], effectively reinstating the \$48,138 in fees that was in dispute.

ASSOCIATES				
Mercedes A. Cook	2012	\$290.00	100.6	\$29,174.00
Andrea Feathers	2012	\$395.00	106.4	\$42,028.00
Alison N. Kleaver	2007	\$480.00	135	\$64,800.00
Victoria J. Lee	2014	\$295.00	170.7	\$50,356.50
Anthony Moshirnia	2007	\$499.50	7.3	\$3,646.35
James E. Pugh	2002	\$517.50	6.2	\$3,208.50
TOTAL ASSOCIATES			526.2	\$193,213.35
LAW CLERK				
Shantel Watters	N/A	\$292.50	2.8	\$819.00
TOTAL LAW CLERKS			2.8	\$819.00
PARAPROFESSIONALS				
Samuel A. Brockman	Litigation Support Specialist	\$245.00	61.7	\$15,116.50
Edward T. Brown	Litigation Support Specialist	\$260.00	2.9	\$754.00
Debbie H. Brown	Legal Assistant	\$100.00	16.2	\$1,620.00
Tiffany J. Johnson	Legal Assistant	\$100.00	217.5	\$21,750.00
Claudia M. Luna	Paralegal	\$200.00	344.8	\$68,960.00
Giles Mitchell	Litigation Support Specialist	\$185.00	4.4	\$814.00
Rick O. Thomas	Legal Assistant	\$100.00	183.9	\$18,390.00
Sonia Tujillo	Legal Assistant	\$100.00	228.4	\$22,840.00
TOTAL PARA-PROFESSIONALS			1059.8	\$150,244.50
TOTAL ALL PROFESSIONALS			3995	\$1,861,587.35⁴
Blended Rate			\$464.16⁵	

⁴ This total amount does not include the \$7,260.50 discount applied during this interim fee application period.

⁵ The blended rate was calculated using the total amount of fees actually billed to the Debtor during this application period.

COMPENSATION BY CATEGORY

Matters	Hours	Net Amount
California Environmental Litigation	403	\$173,009.00
DOJ Investigation	2,260.60	\$964,757.85
EPA Civil Penalty	16.10	\$8,227.00
Regulatory Compliance and Permitting	1,155.60	\$644,099.00
SCAQMD Civil Penalty	159.70	\$71,494.50
Total	3,995	\$1,861,587.35

SUMMARY OF EXPENSES

Expense	Amount
Airfare	\$2,914.29
Court Fees	\$658.80
Car Rental & Gas	\$238.20
Delivery Charges	\$1,659.96
Duplication	\$3,078.65
E-Discovery	\$42,806.24
Expert Witness	\$1,800.00
Legal Research	\$419.40
Lodging	\$1,688.19
Meals	\$389.63
Mileage and Tolls	\$999.25
Miscellaneous Expenses	\$300.00
Outside Printing	\$40.55
Parking	\$175.00
Phone Charges	\$335.19
Taxis	\$424.35
Total	\$57,927.70

HOLDBACK AMOUNTS

	September	October	November
Total Fees Due	\$641,455.50	\$690,323.00	\$522,548.35
Total Expenses	\$44,944.51	\$8,896.26	\$4,086.93
Fees Paid	\$513,164.40	PENDING	PENDING
Expenses Paid	\$44,944.51	PENDING	PENDING
Holdback Amount	\$128,291.10	PENDING	PENDING
Total Current Holdback Amount and Unpaid Fees and Expenses			\$1,354,145.64

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**SIXTH INTERIM FEE APPLICATION OF
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FROM SEPTEMBER 1, 2014 THROUGH AND INCLUDING NOVEMBER 30, 2014**

TO THE HONORABLE KEVIN J. CAREY,
UNITED STATES BANKRUPTCY JUDGE:

Sheppard Mullin Richter & Hampton LLP (the "Applicant"), special counsel to Exide Technologies, as debtor and debtor in possession in the above-captioned chapter 11 case (the "Debtor"), hereby submits this *Sixth Interim Fee Application of Sheppard, Mullin, Richter and Hampton LLP for Compensation for Services Rendered and Reimbursement of Expenses as Special Counsel to the Debtor for the Period From September 1, 2014 Through and Including November 30, 2014* (the "Application") pursuant to sections 328, 330, 331 and 503(b) of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules"), Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware ("Delaware Bankruptcy Local Rules") Rule 2016-2 and the terms of the *Order Establishing Interim*

Compensation Procedures [Docket No. 330] (the “Interim Compensation Order”). In support of this Application, the Applicant states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The legal predicates for the relief requested herein are Bankruptcy Code Sections 330 and 331, Bankruptcy Rule 2016 and Delaware Bankruptcy Local Rule 2016-2.

3. The Debtor consents to this Court’s authority to enter final orders on this matter.

RELIEF REQUESTED AND BASIS FOR RELIEF

4. By this Application, Applicant seeks interim approval for and payment of unpaid portions of fees for professional services rendered by Applicant as special counsel to the Debtor and reimbursement of actual and necessary expenses incurred by the Applicant in connection with the performance of such services for the period of September 1, 2014 through November 30, 2014 inclusive (the “Application Period”), in the amount of \$1,912,254.55 comprised of \$1,854,326.85 in fees for 3,995 hours of professional and paraprofessional services and \$57,927.70 in expenses.

5. This Application has been prepared pursuant to and in accordance with sections 328, 330, 331 and 503(b) of the Bankruptcy Code, Rule 2016 of the Bankruptcy Rules, Delaware Bankruptcy Local Rule 2016-2 and the terms of the Interim Compensation Order.

BACKGROUND

The Debtor's Bankruptcy Case

6. On June 10, 2013 (the “Petition Date”), the Debtor filed a petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District

of Delaware (the “Court”). The Debtor has continued to operate its business and manage its properties as debtor in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

7. On June 18, 2013, the United States Trustee for the District of Delaware appointed the Official Committee of Unsecured Creditors (the “Committee”).

8. On January 28, 2014, the Court entered the *Order Appointing Fee Examiner and Establishing Related Procedures for the Review of Professional Claims* [Docket No. 1283] appointing Robert J. Keach as the fee examiner for the Debtor’s bankruptcy case (the “Fee Examiner”).

The Retention of the Applicant

9. On June 19, 2013, the Debtor applied to the Court for an order authorizing it to retain the Applicant pursuant to the engagement agreement dated May 19, 2008 (the “Engagement Agreement”) as special counsel, effective *nunc pro tunc* to the Petition Date. No objection was made to the retention of Applicant as Special Counsel to the Debtor. On July 9, 2013, the Court entered an order (the “Retention Order”) [Docket No. 280] authorizing the Debtor to employ the Applicant as its special counsel, effective as of the Petition Date, in accordance with the provisions of the Retention Order and the Engagement Agreement. The Retention Order authorized the Applicant to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

10. On February 04, 2014, Applicant filed the *First Supplemental Declaration of Randolph C. Visser, Esq. in Support of Debtor’s Application Pursuant to 11 U.S.C. §§ 327(e) and 328(a), Fed. R. Bankr. P. 2014(a), and Del. Bankr. L.R. 2014-1 for Entry of an Order Authorizing Employment and Retention Of Sheppard Mullin Richter & Hampton LLP as*

Special Counsel to the Debtor Nunc Pro Tunc to The Petition Date [Docket No. 1334], which Applicant's hire of a fourth year lateral associate (the "Lateral Hire"). The Lateral Hire participated in representing the Unofficial Committee of Prepetition Senior Secured Noteholders in this chapter 11 case prior to joining Applicant's firm. As explained in the declaration, Applicant has established an ethical wall between the lawyers and staff representing the Debtor and the Lateral Hire.

11. On February 26, 2014, Applicant filed the *Second Supplemental Declaration of Randolph C. Visser, Esq. in Connection with the Retention of Sheppard Mullin Richter & Hampton LLP as Special Counsel for the Debtors* [Docket No. 1469] (the "Visser Declaration"), which describes the first modest adjustment of Applicant's hourly rates since the Debtor's original retention of Applicant in 2008. Notwithstanding the modest rate adjustment, as described in the Visser Declaration, Applicant is continuing to be compensated at a rate below the hourly rate of Applicant's peer firms as an accommodation to the Debtor.

12. On September 17, 2014, out of an abundance of caution and in response to the Fee Examiner's remaining concern with respect to the Third Interim Fee Application, Applicant filed the *Motion of Sheppard Mullin Richter & Hampton LLP for Entry of an Order, Pursuant to 11 U.S.C. §§ 327(a) and 330, Authorizing a Change to Its Fee Rates for 2014 Forward, on Consent of the Debtor, and in Accordance with the Terms of its Engagement Letter* [Docket No. 2286] (the "Fee Rates Motion"), requesting the Court's approval of its 2014 fee rates increases. On October 14, 2014, the Court granted the relief requested in the Fee Rates Motion through the entry of the *Order Pursuant to 11 U.S.C. §§ 327(a) and 330 Authorizing a Change in Fee Rates for Sheppard Mullin* [Docket No. 2396].

13. Applicant does not hold a retainer for payment of services rendered and compensation of expenses incurred on behalf of the Debtor.

14. Since June 10, 2013, Applicant has acted as special counsel to the Debtor with respect to environmental litigation, regulatory law and governmental investigation matters as further described below.

Applicant's Prior Compensation

First Interim Fee Application Period

15. On each of July 26, 2013, August 26, 2013, and September 27, 2013, Applicant filed with the Court and provided the Debtor and the appropriate notice parties under the Interim Compensation Order with its: (i) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from June 10, 2013 through June 30, 2013 in the amounts of \$307,685.00 for fees and \$8,718.68 for expenses (the "June 2013 Statement"), (ii) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from July 1, 2013 through July 31, 2013 in the amounts of \$238,963.50 for fees and \$2,146.27 for expenses (the "July 2013 Statement"), and (iii) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from August 1, 2013 through August 31, 2013 in the amounts of \$231,457.50 for fees and \$1,423.27 for expenses (the "August 2013 Statement," and collectively with the June 2013 Statement and the July 2013 Statement, the "First Interim Period Statements").

16. No objections were made to any of the First Interim Period Statements. Accordingly upon review and approval of the invoices, the Debtor made payments to the Applicant on account of the First Interim Period Statements as follows: (i) \$254,866.68, with respect to the June 2013 Statement - \$246,148.00 for fees and \$8,718.68 for expenses, (ii) \$193,317.07, with respect to the July 2013 Statement - \$191,170.80 for fees and \$2,146.27 for expenses, and (iii) \$186,589.27, with respect to the August 2013 Statement - \$185,166.00 for

fees and \$1,423.27 for expenses. The total amount held back on account of the First Interim Period Statements was \$155,621.00.

17. On October 23, 2013, Applicant filed its *First Interim Fee Application of Sheppard, Mullin, Richter and Hampton LLP for Compensation for Services Rendered and Reimbursement of Expenses as Special Counsel to the Debtor for the Period from June 10, 2013 Through and Including August 31, 2013* [Docket No. 950] (the “First Interim Fee Application”), seeking interim approval for fees for professional services rendered by Applicant as special counsel to the Debtor and reimbursement of actual and necessary expenses incurred by Applicant in connection with the performance of such services for the period of June 10, 2013 through August 31, 2013 inclusive (the “First Interim Period”), in the amount of \$789,189.18, comprised of \$778,106.00 in fees for 1,529.30 hours of professional and paraprofessional services and \$11,083.18 in expenses.

18. On April 17, 2014, the Fee Examiner generated a Preliminary Report that inquired about certain fees and expenses included in Applicant’s First Interim Fee Application. Following discussions with the Fee Examiner and Applicant’s provision of additional information to the Fee Examiner, Applicant agreed to voluntarily reduce its fees by \$27,428.35 and its expenses by \$1,708.77 for the First Interim Period. Thus, at the hearing on the First Interim Fee Application, Applicant requested interim approval for fees and expenses in the amount of \$760,052.06, comprised of \$750,677.65 in fees and \$9,374.41 in expenses.

19. On September 22, 2014, the Court entered the *Second Omnibus Order Allowing Interim Compensation for Services Rendered and Reimbursement of Expenses of Professionals* [Docket No. 2311], granting Applicant fees and expenses in the amount of \$760,052.06, comprised of \$750,677.65 in fees and \$9,374.41 in expenses.

Consequently, Applicant received payment on account of the First Interim Period Invoices of \$126,484.08 and no further amounts are due on account thereof.

Second Interim Fee Application Period

20. On each of October 25, 2013, December 2, 2013, and January 3, 2014, Applicant filed with the Court and provided the Debtor and the appropriate notice parties under the Interim Compensation Order with its: (i) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from September 1, 2013 through September 30, 2013 in the amounts of \$234,613.00 for fees and \$1,423.27 for expenses (the “September 2013 Statement”), (ii) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from October 1, 2013 through October 31, 2013 in the amounts of \$402,198.00 for fees and \$4,206.93 for expenses (the “October 2013 Statement”), and (iii) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from November 1, 2013 through November 30, 2013 in the amounts of \$400,042.50 for fees and \$14,096.69 for expenses (the “November 2013 Statement,” and collectively with the September 2013 Statement and the October 2013 Statement, the “Second Interim Period Statements”).

21. No objections were made to any of the Second Interim Period Statements. Accordingly upon review and approval of the invoices, the Debtor made payments to the Applicant on the account of the Second Interim Period Statements as follows: (i) \$189,113.67, with respect to the September Statement - \$187,690.40 for fees and \$1,423.27 for expenses, (ii) \$325,965.33, with respect to the October Statement - \$321,758.40 for fees and \$4,206.93 for expenses, and (iii) \$334,130.69, with respect to the November Statement - \$320,034.00 for fees

and \$14,096.69 for expenses. The total amount held back on account of the Second Interim Period Statements was \$207,370.70.

22. On February 14, 2014, Applicant filed its *Second Interim Fee Application of Sheppard, Mullin, Richter and Hampton LLP for Compensation for Services Rendered and Reimbursement of Expenses as Special Counsel to the Debtor for the Period from September 1, 2013 Through and Including November 30, 2013* [Docket No. 1396] (the “Second Interim Fee Application”), seeking interim approval for fees for professional services rendered by Applicant as special counsel to the Debtor and reimbursement of actual and necessary expenses incurred by Applicant in connection with the performance of such services for the period of September 1, 2013 through November 30, 2013 inclusive (the “Second Interim Period”), in the amount of \$1,056,580.39, comprised of \$1,036,853.50 in fees for 2061.2 hours of professional and paraprofessional services and \$19,726.89 in expenses.

23. On April 17, 2014, the Fee Examiner generated a Preliminary Report that inquired about certain fees and expenses included in the Applicant’s Second Interim Fee Application. Following discussions with the Fee Examiner and Applicant’s provision of additional information to the Fee Examiner, the Applicant agreed to voluntarily reduce its fees by \$32,045.75 and its expenses by \$2,773.62 for the Second Interim Period. Thus, at the hearing on the Second Interim Fee Application, Applicant requested interim approval for fees and expenses in the amount of \$1,021,760.02, comprised of \$1,004,807.75 in fees and \$16,952.27 in expenses.

24. On September 22, 2014, the Court entered the *Second Omnibus Order Allowing Interim Compensation for Services Rendered and Reimbursement of Expenses of Professionals*

[Docket No. 2311], granting Applicant fees and expenses in the amount \$1,021,760.02, comprised of \$1,004,807.75 in fees and \$16,952.27 in expenses.

25. Consequently, Applicant received payment on account of the Second Interim Period Invoices of \$172,551.33 and no further amounts are due on account thereof.

Third Interim Fee Application Period

26. On each of January 31, 2014, March 10, 2014, and April 9, 2014, Applicant filed with the Court and provided the Debtor and the appropriate notice parties under the Interim Compensation Order with its: (i) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from December 1, 2013 through December 31, 2013 in the amounts of \$353,995.60 for fees and \$4,675.57 for expenses (the "December 2013 Statement"), (ii) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from January 1, 2014 through January 31, 2014 in the amounts of \$609,669.50 for fees and \$13,891.49 for expenses (the "January Statement"), and (iii) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from February 1, 2014 through February 28, 2014 in the amounts of \$475,435.50 for fees and \$31,529.80 for expenses (the "February Statement," and collectively with the December 2013 Statement and the January Statement, the "Third Interim Period Statements").

27. No objections were made to any of the Third Interim Period Statements. Accordingly, upon review and approval of the invoices, the Debtor made payments to the Applicant on the account of the Third Interim Period Statements as follows: (i) \$358,671.17, with respect to the December Statement - \$353,995.60 for fees and \$4,675.57 for expenses and (ii) \$501,627.09, with respect to the January Statement - \$487,735.60 for fees and \$13,891.49

for expenses, and (iii) \$411,878.20, with respect to the February Statement - \$380,348.40 for fees and \$31,529.80 for expenses. The amount held back on account of the Third Interim Period Statements as of the date of this Application, in accordance with the Interim Compensation Order, was \$305,519.90.

28. On May 5, 2014, Applicant filed its *Third Interim Fee Application of Sheppard, Mullin, Richter and Hampton LLP for Compensation for Services Rendered and Reimbursement of Expenses as Special Counsel to the Debtor for the Period from December 1, 2013 Through and Including February 28, 2014* [Docket No. 1758] (the “Third Interim Fee Application”), seeking interim approval for fees for professional services rendered by Applicant as special counsel to the Debtor and reimbursement of actual and necessary expenses incurred by Applicant in connection with the performance of such services for the period of December 1, 2013 through February 28, 2014 inclusive (the “Third Interim Period”), in the amount of \$1,577,696.36, comprised of \$1,527,599.50 in fees for 3,085.5 hours of professional and paraprofessional services and \$50,096.86 in expenses.

29. On August 28, 2014, the Fee Examiner generated a Preliminary Report that inquired about certain fees and expenses included in the Applicant’s Third Interim Fee Application. Following discussions with the Fee Examiner and Applicant’s provision of additional information to the Fee Examiner, the Applicant agreed to voluntarily reduce its fees by \$69,979.75⁶ for the Third Interim Period. Thus, at the hearing on the Third Interim Fee

⁶ Sheppard Mullin reserved the right to seek reinstatement of \$48,138.00 of its fees, which amount was challenged by the Fee Examiner on the grounds that the amount resulted from Applicant’s fee rates increase in January 2014, pending the Court’s approval of Applicant’s Fee Rates Motion. The Court granted Applicant’s Fee Rates Motion on October 14, 2014 [Docket No. 2396], approving Applicant’s fee rates increase and effectively reinstating the \$48,138 in fees that was in dispute.

Application, Applicant requested interim approval for fees and expenses in the amount of \$1,501,963.59, comprised of \$1,457,619.75⁷ in fees and \$16,952.27 in expenses.

30. On October 14, 2014, the Court entered the *Order Pursuant to 11 U.S.C. §§ 327(a) and 330 Authorizing a Change in Fee Rates for Sheppard Mullin* [Docket No. 2396] (the “Order Approving Fee Rates”), approving Applicant’s 2014 fee rate increases.

31. On December 11, 2014, the Court entered the *Third Omnibus Order Allowing Interim Compensation for Services Rendered and Reimbursement of Expenses of Professionals* [Docket No. 2745], granting the additional \$48,138.00 in fees, which were in dispute, from this period.

32. Consequently, Applicant received payment on account of the Third Interim Period Invoices of \$277,925.13 and no further amounts are due on account thereof.

Fourth Interim Fee Application Period

33. On each of May 29, 2014, June 13, 2014, and July 7, 2014, Applicant filed with the Court and provided the Debtor and the appropriate notice parties under the Interim Compensation Order with its: (i) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from March 1, 2014 through March 31, 2014 in the amounts of \$683,341.50 for fees and \$15,172.44 for expenses (the “March Statement”), (ii) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from April 1, 2014 through April 30, 2014 in the amounts of \$377,245.00 for fees and \$20,560.44 for expenses (the “April Statement”), and (iii) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from

⁷ This amount did not include the challenged \$48,138.00 in fees from this period.

May 1, 2014 through May 31, 2014 in the amounts of \$410,206.50⁸ for fees and \$2,798.92 for expenses (as amended the "May Statement," and collectively with the March Statement and the April Statement, the "Fourth Interim Period Statements").

34. No objections were made to any of the Fourth Interim Period Statements. Accordingly, upon review and approval of the invoices, the Debtor made payments to the Applicant on account of the Fourth Interim Period Statements as follows: (i) \$561,845.62, with respect to the March Statement - \$546,673.20 for fees and \$15,172.42 for expenses, (ii) \$322,356.44, with respect to the April Statement - \$301,796.00 for fees and \$20,560.44 for expenses, (iii) \$330,964.12, with respect to the May Statement - \$328,165.20 for fees and \$2,798.92 for expenses. The May Statement, submitted initially on July 7, 2014 was amended on July 28, 2014 to correct a \$270 mathematical error as noted above and the Applicant was paid the amount requested on the amended fee statement. The total amount held back on account of the Fourth Interim Period Statements is \$294,158.60.

35. On July 30, 2014, Applicant filed its Fourth Interim Fee Application of Sheppard, Mullin, Richter and Hampton LLP for Compensation for Services Rendered and Reimbursement of Expenses as Special Counsel to the Debtor for the Period from March 1, 2014 Through and Including May 31, 2014 [Docket No. 2090] (the "Fourth Interim Fee Application"), seeking interim approval for fees for professional services rendered by Applicant as special counsel to the Debtor and reimbursement of actual and necessary expenses incurred by Applicant in connection with the performance of such services for the period of June 1, 2014 through August 30, 2014 inclusive (the "Fourth Interim Period") in the amount of

⁸ The May Statement originally filed on July 7, 2014 [Docket Number 1758] contained a mathematical error of \$270 in Applicant's favor with respect to legal fees only, that was corrected in the amended version, which was filed on July 28, 2014.

\$1,509,324.78, comprised of \$1,470,793.00 in fees for 2,842 hours of professional and paraprofessional services and \$38,531.78 in expenses.

36. On November 5, 2014, the Fee Examiner generated a Preliminary Report that inquired about certain fees and expenses included in the Applicant's Fourth Interim Fee Application. Following discussions with the Fee Examiner and Applicant's provision of additional information to the Fee Examiner, the Applicant agreed to voluntarily reduce its fees by \$24,598.55 and its expenses by \$2,414.47 for the Fourth Interim Period. Thus, at the hearing on the Fourth Interim Fee Application, Applicant requested interim approval for fees and expenses in the amount of \$1,482,311.76, comprised of \$1,446,194.45 in fees and \$36,117.31 in expenses.

37. On December 11, 2014, the Court entered the *Third Omnibus Order Allowing Interim Compensation for Services Rendered and Reimbursement of Expenses of Professionals* [Docket No. 2745], granting Applicant fees and expenses in the amount of \$1,482,311.76, comprised of \$1,446,194.45 in fees and \$36,117.31 in expenses.

38. Consequently, Applicant received payment on account of the Fourth Interim Period Invoices of \$287145.58 and no further amounts are due on account thereof.

Fifth Interim Fee Application Period

39. On each of August 15, 2014, September 24, 2014, and October 27, 2014, Applicant filed with the Court and provided the Debtor and the appropriate notice parties under the Interim Compensation Order with its: (i) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from June 1, 2014 through June 30, 2014 in the amounts of \$432,719.50 for fees and \$2,284.28 for expenses (the "June 2014 Statement"), (ii) Monthly Statement for compensation and reimbursement of expenses for

services rendered during the period from July 1, 2014 through July 31, 2014 in the amounts of \$533,711.80 for fees and \$17,017.34 for expenses (the "July 2014 Statement"), and (iii) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from August 1, 2014 through August 31, 2014 in the amounts of \$662,109.85 for fees and \$16,921.31 for expenses (the "August 2014 Statement," and collectively with the June 2014 Statement and the July 2014 Statement, the "Fifth Interim Period Statements").

40. No objections were made to any of the Fifth Interim Period Statements. Accordingly upon review and approval of the invoices, the Debtor made payments to the Applicant on the account of the Second Interim Period Statements as follows: (i) \$348,459.88, with respect to the June 2014 Statement - \$346,175.60 for fees and \$2,284.28 for expenses, (ii) \$443,986.78, with respect to the July 2014 Statement - \$426,969.44 for fees and \$17,017.34 for expenses, and (iii) \$546,609.19, with respect to the August 2014 Statement - \$529,687.88 for fees and \$16,921.31 for expenses. The total amount held back on account of the Fifth Interim Period Statements was \$260,566.58.

41. On October 30, 2014, Applicant filed its Fifth Interim Fee Application of Sheppard Mullin Richter and Hampton LLP for Compensation for Services Rendered and Reimbursement of Expenses as Special Counsel to the Debtor for the Period from June 1, 2014 Through and Including August 31, 2014 [Docket No. 2538] (the "Fifth Interim Fee Application"), seeking interim approval for fees for professional services rendered by Applicant as special counsel to the Debtor and reimbursement of actual and necessary expenses incurred by Applicant in connection with the performance of such services for the period of June 1, 2014 through August 31, 2014 inclusive (the "Fifth Interim Period"), in the amount of

\$1,664,764.08, comprised of \$1,628,541.15 in fees for 3,132.7 hours of professional and paraprofessional services and \$36,222.93 in expenses. The Fifth Interim Fee Application is pending review by the Fee Examiner.

Sixth Interim Fee Application Period

42. On each of December 01, 2014, January 14, 2015, and January 30, 2015, Applicant filed with the Court and provided the Debtor and the appropriate notice parties under the Interim Compensation Order with its: (i) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from September 1, 2014 through September 30, 2014 in the amounts of \$641,455.50 for fees and \$44,944.51 for expenses (the "September 2014 Statement"), (ii) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from October 1, 2014 through October 31, 2014 in the amounts of \$690,323.00 for fees and \$8,896.26 for expenses (the "October 2014 Statement"), and (iii) Monthly Statement for compensation and reimbursement of expenses for services rendered during the period from November 1, 2014 through November 30, 2014 in the amounts of \$522,548.35 for fees and \$4,086.93 for expenses (the "November 2014 Statement," and collectively with the September 2014 Statement and the October 2014 Statement, the "Sixth Interim Period Statements").

43. As of the date of this Application, no objections have been made to any of the Sixth Interim Period Statements. The Debtor has been given time to review the statements, which were served upon the Debtor on December 1, 2014, January 14, 2015, and January 29, 2015, and has approved of the amounts requested in the Sixth Interim Period Statements.

44. As of the date of this Application, Applicant has received payment on account of the Sixth Interim Period Statements as follows: \$558,108.91 with respect to the June Statement - \$513,164.40 for fees and \$44,944.51 for expenses. The total amount held back on

account of the Sixth Interim Period Statements as of the date of this application, in accordance with the Interim Compensation Order is \$128,291.10.

45. Except for such payments, which were made pursuant to the Interim Compensation Order, Applicant has received no payment and no promises for payment from any source for services rendered in connection with this chapter 11 case. No understanding exists between the Applicant and any other person for the sharing of compensation sought by this Applicant, except among the partners and associates of the Applicant.

Description of Services Rendered Generally

46. Since 2008, Applicant has served as sole counsel for the Debtor with respect to significant environmental litigation, regulatory matters and governmental investigations pertaining to the Debtor's major lead-recycling facility, (the "Vernon Facility"), including, inter alia, assisting and representing the Debtor (i) against multiple governmental agency actions to shut down the operations at the Vernon Facility in administrative and civil litigation, (ii) with daily compliance under federal, state and local environmental agency regulations, (iii) with permit compliance and permit modifications, (iv) with emissions reduction project planning, (v) with review and challenges to major rule and regulatory modifications, (vi) against alleged violations of environmental regulations, (vii) against threatened environmental litigations, (viii) with compliance under complex air quality and hazardous waste regulations, and (ix) against government investigations, including an United States Environmental Protection Agency (the "EPA") civil investigation and a Department of Justice (the "DOJ") criminal investigation relating to emissions and hazardous waste.

47. In general, these matters have required Applicant to devote substantial time to Debtor, often under "bet the company" stakes with government agencies seeking to shut the

Vernon Facility down or investigate the Debtor for criminal and civil liability. Applicant provides various services to Debtor on a daily basis as to all types of matters set forth below. These services demand the skills of multiple different lawyers working together or concurrently to resolve overlapping legal issues.

48. Applicant has organized its time records by activity codes in accordance with the UST Guidelines and the Local Guidelines. Accordingly, each of the time entries of the attorneys and paraprofessionals of the Applicant have been indexed into the categories listed below.

California Environmental Litigation Matters

(Matter No. 179651)

49. During the Application Period of September 1, 2014, through November 30, 2014, Applicant prepared monthly status reports regarding the process made by the Vernon Facility in compliance with the South Coast Air Quality Management District's ("SCAQMD") orders of abatement. This required:

- A. reviewing regular construction schedules for emission control projects
- B. summarizing technical aspects of changes to such control projects
- C. working with client to gather data on monthly activities to ensure SCAQMD compliance.

50. Second, during this period, Applicant assessed the Department of Toxic Substances Control's ("DTSC") various allegations against the Vernon Facility as well as the potential impact of DTSC litigation on current regulatory matters.

51. Third, during this period, Applicant counseled and negotiated on behalf of the Debtor with the Los Angeles County (the "County") to attempt to prevent a threatened nuisance lawsuit. This included reviewing the County's Board of Supervisors' motions on the subject to

prepare for negotiations as well as attending a conference with the County to negotiate an alternative resolution to the threatened lawsuit;

52. Fourth, during this period, Applicant reviewed and analyzed prior settlements to determine the impact of such settlements on current regulatory and litigation matters;

53. Fifth, during this period, Applicant regularly updated the Debtor through calls or meetings with respect to the general status of the various litigations and threatened litigations; and

54. Finally, Applicant drafted or reviewed and commented on all communications between the Debtor, the DTSC and the public relating to the above litigation issues. This included press releases, fact sheets and similar materials, all of which were vetted through Applicant.

55. Applicant expended a total of 403 hours in this category and is requesting the total sum of \$173,009.00 for services rendered in this category.

Regulatory Compliance and Permitting

(Matter No. 179728)

56. Applicant's Regulatory Compliance and Permitting Work was myriad and substantial.

57. Applicant continued to provide daily advice on regulatory matters. Specifically, Applicant assisted in drafting permit applications and comments, reviewed permits to provide operational compliance advice, advised with respect to maintaining compliance with air quality rules and various hazardous waste regulations, worked with technical consultants and responded to threatened enforcement actions, and worked on submitting proper compliance paperwork to

various regulatory agencies. Consultations generally required detailed analysis of current operations and specific, quick and precise advice regarding regulatory implications.

58. In addition to the daily inquiries with respect to the matters explained in the above paragraph, Applicant successfully negotiated, on behalf of the Debtor, with the District and the DTSC to settle the lawsuit regarding disputes over permit and clean-up obligations, which prevented the enforcement of the DTSC's various allegations against the Vernon Facility and allowed the processing of the Debtor's final permit to move forward. Achieving this outcome entailed:

- A. Reviewing an extensive amount of technical documents and data relating to clean-up obligations;
- B. Researching and analyzing corrective actions, facility closures and financial regulations that govern such operations;
- C. Traveling and attending numerous meetings with the DTSC to negotiate the settlement agreements;
- D. Negotiating the necessary amount of financial assurances;
- E. Negotiating the settlement of various, outstanding, alleged violations by the Debtor;
- F. Preparing for and engaging in highly technical discussions with respect to the scope of required sampling and remediation activities;
- G. Preparing, commenting on and revising multiple drafts of the settlement agreement;
- H. Preparing, commenting on and revising multiple drafts of the closure trust fund agreement; and

I. Assisting with obtaining the Bankruptcy Court's approval of the settlement agreement.

59. Second, during this Period, Applicant provided assistance with the following:

- A. Assessing how proposed statutes and regulatory rules would impact the Debtor;
- B. Preparing interim measures work-plans;
- C. Complying with the Health and Ecological Risk Assessment issues and requesting an extension for such compliance;
- D. Complying with sampling and remedial obligations under the negotiated settlements;
- E. Responding to the Unsecured Creditors' Committee's proposed observer protocol;
- F. Transferring permit ownership; and
- G. Preparing and revising permit applications and permit conditions. Applicant expended substantial resources in assisting the Debtor with respect to the permit applications that were submitted to the DTSC. This included careful analysis of various financial and corrective actions provisions to ensure compliance.

60. Third, Applicant assisted the Debtor in preparing responses to the Unsecured Creditors' Committee's civil requests for information regarding permitting issues. Moreover, Applicant regularly responded to the creditors' requests for information regarding the Vernon Facility.

61. Applicant continuously educated the creditors' committee and the Debtor's Board of Directors regarding the ongoing litigation and regulatory matters through periodic presentations. This required numerous conference calls and preparation of written materials as well as presentations to educate these groups effectively.

62. Finally, Applicant drafted or reviewed and commented on all communications between the Debtor, the DTSC and the public relating to the above regulatory issues. This included press releases, fact sheets and similar materials, all of which were vetted through Applicant.

63. Applicant expended a total of 1,155.60 hours in this category and is requesting the total sum of \$644,099.00 for services rendered in this category.

SCAQMD Civil Penalty

(Matter No. 197163)

64. In January 2014, SCAQMD filed a complaint in court against the Debtor for civil penalties and sought over \$40 million as a result of alleged regulatory violations (“SCAQMD’s Civil Penalty Suit”). During this period, Applicant continued to defend the Debtor in response to SCAQMD’s Civil Penalty Suit. In defending the Debtor against SCAQMD in this particular litigation, Applicant did the following:

- A. Analyzed all of the potential penalty assessments and defenses against such claims;
- B. Prepared the Debtor’s answer to SCAQMD’s amended complaint; and
- C. Engaged in a large document production. In this period, Applicant coordinated, identified, collected and preserved countless documents from the records of the Debtor and its consultants. Subsequently, Applicant reviewed all such documents for relevance and privilege. In the process, Applicant also prepared privilege logs and responded to SCAQMD’s meet and confer letter.

65. As this case is also highly political and controversial, Applicant drafted or reviewed and advised on all communications between the Debtor, SCAQMD, and the public regarding the SCAQMD's Civil Penalty Suit.

66. Applicant expended a total of 159.70 hours in this category and is requesting the total sum of \$71,494.50 for services rendered in this category.

EPA Civil Penalty

(Matter No. 200809)

67. On May 27, 2014, the EPA issued a Notice of Violation under section 113(a)(1) of the Clean Air Act (the "May NOV") for emissions violations. Thereafter, on June 20, 2014, the EPA issued a request for information under Section 114(a) of the Clean Air Act (the "114 Request"), which requested an extensive amount of detailed information from the Debtor to determine its compliance with federal and local emissions rules.

68. During this period, Applicant continued to represent the Debtor by following up with EPA to confirm the completeness of the Debtor's response. Additionally, Applicant advised the Debtor with respect to complying with EPA regulations going forward.

69. Applicant expended a total of 16.1 hours in this category and is requesting the total sum of \$8,227.00 for services rendered in this category.

DOJ Investigation⁹

(Matter No. 202670)

70. During the Application Period, Applicant continued to defend the Debtor against a federal investigation from the DOJ relating to hazardous waste issues and air emissions issues at the Vernon Facility. Certain of the tasks completed in defending the Debtor against the DOJ investigation were the following:

- A. Preparing a defense strategy and engaging in discovery efforts. This included preparing for interviews of key witness, interviewing such witnesses, as well as reviewing and assessing all of the Debtor's documents and reports related to the subjects of the investigation. Due to the complicated and fact-specific issues, many of the interviews were full day or multi-day affairs with attendance by multiple attorneys, who were responsible for different aspects of the defense;
- B. Reviewing and analyzing the Notices of Violations regarding the alleged issues;
- C. Drafting a white paper and other materials in assessment of the Debtor's defense;
- D. Representing the Debtor in multiple meetings with the United States Attorney regarding the investigation;
- E. Engaging in an intensive document production. Applicant had to identify, collect and preserve documents from dozens of potential witnesses, which included third parties. This entailed coordinating with the attorneys, who represent such third parties as well as the client. Applicant also coordinated a document review

⁹ Due to the highly sensitive nature of this matter, Applicant has intentionally kept the description of the services provided for this matter herein vague. Applicant will provide additional explanation with respect to the services provided in this category if the Fee Examiner so requests.

process for all such documents to evaluate privilege and relevance to prepare the responsive documents for production; and

- F. Updating the client. Applicant coordinated and responded to multiple calls each day that relate to the detailed status of the investigation and/or specific legal questions from various members of the Debtor.

71. As this case is also highly political and controversial, Applicant monitored media coverage of the issue, drafted or reviewed and advised on all communications between the Debtor, the United States Attorney and the public regarding the DOJ's investigation.

72. Additionally, the Applicant continuously educated the creditors' committee and the Debtor's Board of Directors regarding the ongoing investigation through periodic presentations. This required numerous conference calls and preparation of written materials and presentations to educate these groups effectively.

73. Applicant expended a total of 2,260.60 hours in this category and is requesting the total sum of \$964,757.85 for services rendered in this category.

EVALUATION OF SERVICES RENDERED

74. Section 331 of the Bankruptcy Code provides for the allowance of compensation for services rendered and reimbursement of expenses in bankruptcy cases. 11 U.S.C. § 331. Additionally, this Court has authorized the filing of this Application under the Interim Compensation Order.

75. With respect to the level of compensation, section 330(a)(1) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person "reasonable compensation for actual, necessary services rendered . . . and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1).

76. In determining the reasonableness of compensation, "the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

(A) the time spent on such services;

(B) the rates charged for such services;

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this [title 11 of the United States Code];

(D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;

(E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and

(F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3)(A).

77. Based on the standards set forth in section 330 of the Bankruptcy Code, the Applicant believes that the fair and reasonable value of its services rendered during the Application Period is in the total amount of \$1,854,326.85 in fees plus expenses of \$57,927.70.

(A) **Time Spent.**

78. Members, associates and paraprofessionals of the Applicant expended a total of 3995 hours for the benefit of the Debtor's estate during the Application Period. The foregoing summary, together with the prior interim fee applications, detail the time, nature and extent of the professional and paraprofessional services of the Applicant rendered during the Application Period. The time and labor expended was necessary, reasonable and appropriate in light of the

complexity of and the inherent significant risk involved with the administrative and civil environmental regulation litigations, regulatory compliance, complex air quality and hazardous waste regulations as well as governmental investigation matters on which the Applicant has been retained.

(B) Rates Charged.

79. The hourly rates charged by the Applicant for the services performed in this case are highly competitive and below customary rates for the degree of skill and expertise required in the performance of similar services rendered by other experienced environmental litigation, regulatory, government investigation and bankruptcy law professionals. The hourly rates in this case are the same as, or less than, those the Applicant bills to its clients in other bankruptcy and non-bankruptcy commercial cases in which client payment is made on a frequent, periodic basis. Specifically, notwithstanding the modest adjustment of the Applicant's hourly rates that occurred on January 1, 2014, which was approved by the Court pursuant to the *Order Pursuant to 11 U.S.C. §§327(a) and 330 Authorizing a Change in Fee Rates for Sheppard Mullin* [Docket No. 2396] that was entered on October 14, 2014, the hourly rates charged by the Applicant in this case are still less than those that the Applicant bills to its clients in other bankruptcy and non-bankruptcy commercial cases in which payment is made on a frequent, periodic basis.

80. The hourly rates charged by the Applicant during the Current Application Period ranges from \$295.00 to \$850.00 per hour for Applicant's professionals and \$100.00 to \$245.00 per hour for Applicant's paraprofessionals as follows:

PROFESSIONALS	BILLING RATE
Bryan D. Daly	\$850
Charles L. Kreindler	\$800
Curtis M. Dombek	\$780

Robert H. Philibosian	\$725
Carren B. Shulman	\$665
Richard W. Brunette	\$620
Steven O. Kramer	\$625
Stephen J. O'Neil	\$600
Jeffrey J. Parker	\$600
Randolph C. Visser	\$600
Melissa K. Eaves	\$590
Barbara Taylor	\$560
Jeffrey A. Kaye	\$535
James E. Pugh	\$517.50
David B. Chidlaw	\$515
Arthur Friedman	\$505
Anthony Moshirnia	\$499.50
Oliver F. Theard	\$490
Alison N. Kleaver	\$480
Joseph Barton	\$420
Alexander L. Merritt	\$370
Robin A. Achen	\$355.50
Victoria J. Lee	\$295
Andrea N. Feathers	\$295
Mercedes A. Cook	\$290
PARAPROFESSIONALS	
Samuel A. Brockman	\$245
Claudia M. Luna	\$200
Maggie Mollet	\$195
Brian Simpson	\$195
Giles Mitchell	\$185
Juan F. Ornelas	\$185
Julie Cravitz	\$100
Sonia Tujillo	\$100

(C) **Necessity or Beneficial Nature of Services Rendered.**

81. The services provided by Applicant to the Debtor during the bankruptcy case have been necessary and beneficial to the Debtor. The Applicant has significant expertise and experience with administrative and civil environmental litigation, complex regulatory law issues and governmental investigations. As a result of Applicant's services during the Application Period, the Debtor was competently represented in the California environmental litigation matters, the complex air quality and hazardous regulatory compliance matters,

permitting matters, the SCAQMD civil penalty matter, the EPA civil penalty matter and the DOJ investigation.

82. As further detailed above, during this period, Applicant assessed the DTCS's allegations against the Vernon Facility and negotiated on behalf of the Debtor with the County to prevent another threatened lawsuit.

83. In connection with the regulatory compliance and permitting matters, in addition to the various daily regulatory and compliance matters, Applicant successfully negotiated on behalf of the Debtor to settle the lawsuit regarding disputes over permit and clean up obligations and allowed the Debtor's final permit to move forward. Furthermore, Applicant continually assisted the Debtor in responding to creditors' requests for information.

84. In connection with the SCAQMD civil penalty matter, Applicant continued to defend the Debtor against SCAQMD's claim for \$40 million as a result of regulatory violations. During this period, Applicant engaged in a large production process, in which Applicant coordinated, identified, collected, preserved and reviewed countless documents for responsiveness and privilege.

85. In connection with the EPA civil penalty matter, the Debtor continued to represent and advise the Debtor on the EPA's request for information under Section 114(a) of the Clean Air Act by following up with the EPA and counseling the Debtor with respect to complying with EPA regulations going forward.

86. Finally, in connection with the DOJ investigation, Applicant represented the Debtor in the ongoing investigation of the Vernon Facility. During this period, Applicant engaged in discovery by interviewing witnesses assessing all of the Debtor's documents.

Applicant also engaged in an intensive document production as part of the investigation process and prepared multiple materials in assessment of the Debtor's defense.

87. Almost all of these matters were highly political and controversial. As a result, Applicant monitored media coverage of the matters described above, drafted or reviewed and advised on all communications between the Debtor, third parties, and the public regarding these matters.

88. All of these matters affected the Debtor's ability to continue its business as a going concern and maximize the recovery for its creditors. As such, the Applicant submits that the services rendered were necessary for the estate.

(D) Services were Performed in a Reasonable Amount of Time.

89. Applicant carefully assigned each task as appropriate for the level of experience and expertise required to successfully represent the Debtor in highly complex matters. Substantial time constraints were imposed on the Applicant during the bankruptcy case due to the necessity for quick and precise advice on various regulatory issues, which included numerous productions, several threatened lawsuits, as well as focused representation in the litigation and government investigation matters on which the Applicant has been retained. These matters included issues, which risked the possible consequences of exposing the Debtor to millions of dollars in liability as well as criminal liability. Applicant submits that the services described herein and in the prior interim fee applications were performed in a reasonable amount of time in light of the complexity, importance and nature of the problems, issues or tasks involved.

(E) Experience, Reputation, and Ability of the Attorneys.

90. The Applicant's professionals who provided services to the Debtor in this case are thoroughly experienced in all matters of environmental and regulation law in connection

with the matters for which the Applicant has been retained. Applicant provided the expertise of experienced environmental litigation and regulatory law partners and white collar defense partners that was necessary to successfully prevent Applicant from sustaining the significant losses and address other pressing issues.

91. The members and associates who were primarily responsible for providing services to the Debtor are listed above and in the Prior Interim Fee Applications, including certain members with more than 30 years of experience in the environmental litigation and regulatory law-related matters and others with more than 25 years of experience with government investigations. This experience was critical to representing the Debtor in the above described high stakes matters.

(F) **Reasonableness of Compensation.**

92. Applicant's representation of the Debtor in this case has involved representation requiring a high degree of specialized legal expertise and experience. Given the complexity, size and number of regulatory and litigation matters as well as the government investigations that are involved, the compensation sought in connection with the services rendered in these cases is commensurate with the compensation sought or awarded in similar cases under the Bankruptcy Code. This Application is based on discounted hourly rates, which are lower than the rates that the Applicant charges other private clients of the firm. Moreover, Applicant routinely scrutinizes all of its billing invoices and voluntarily writes off certain fees to insure the appropriateness of its fee requests.

93. No other law firm is providing the Debtor with the same environmental litigation and regulatory law services with respect to the California Environmental Litigation Matters, the Regulatory Compliance and Permitting Matter, the SCAQMD Civil Penalty Matter, the EPA Civil Penalty Matter and the DOJ Investigation Matter. Applicant is aware

that Skadden, Arps, Slate, Meagher & Flom LLP is providing advice to the Debtor on the bankruptcy-specific issues and how the environmental issues and the governmental investigations fit into the company's overall chapter 11 case strategy. However, Applicant handles the day-to-day regulatory and compliance matters, directly represents the Debtor in administrative and court litigations, handles the various environmental agency regulatory compliance issues and defends the Debtor against government investigations regarding the Vernon Facility. Applicant has not and will not perform services to the Debtors that are duplicative of the services provided by these firms. As such, Applicant submits that the fees sought herein are reasonable based on the customary compensation charged by comparably skilled practitioners.

ACTUAL AND NECESSARY EXPENSES

94. Applicant incurred actual and necessary out-of-pocket expenses in the amount of \$57,927.70 in providing professional services to the Debtor during the Application Period.

95. Specifically, during the Current Application Period, Applicant incurred expenses the expenses that are identified in the chart below. Pursuant to the Delaware Local Bankruptcy Guidelines and the UST Guidelines, these expenses are billed to the Debtor at the actual cost to the Applicant. The expenses for which Applicant seeks reimbursement are actual and necessary, and of the kind the Applicant customarily charges its non-bankruptcy clients.

Expense	Amount
Airfare	\$2,914.29
Court Fees	\$658.80
Car Rental & Gas	\$238.20
Delivery Charges	\$1,659.96
Duplication	\$3,078.65
E-Discovery	\$42,806.24
Expert Witness	\$1,800.00
Legal Research	\$419.40
Lodging	\$1,688.19

Meals	\$389.63
Mileage and Tolls	\$999.25
Miscellaneous Expenses	\$300.00
Outside Printing	\$40.55
Parking	\$175.00
Phone Charges	\$335.19
Taxis	\$424.35
Total	\$57,927.70

NOTICE

Notice of this Application has been provided to: (i) the Debtor, Exide Technologies, 13000 Deerfield Parkway, Building 200, Milton, Georgia 30004, Attn: Phillip A. Damaska; (ii) counsel to the Debtor, Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036, Attn: Kenneth S. Ziman, Esq. and J. Eric Ivester, Esq.; One Rodney Square, P.O. Box 636, Wilmington, Delaware 19899-0636, Attn: Anthony W. Clark, Esq.; and 155 N. Wacker Drive, Chicago, Illinois 60606-1720, Attn: James J. Mazza, Jr. (iii) counsel to the agent under the debtor in possession financing, Davis, Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Damian S. Schaible, Esq.; Richards Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Mark D. Collins, Esq.; (iv) counsel to the agent for the Debtor's prepetition secured lenders, Greenberg Traurig, LLP, 3333 Piedmont Road NE, Suite 2500, Atlanta, Georgia 30305, Attn: David B. Kurzweil, Esq.; 1007 N. Orange St., Suite 1200, Wilmington, Delaware 19801, Attn: Dennis A. Meloro, Esq.; (v) the indenture trustee for the Debtor's secured bond issuances, Wells Fargo Bank, N.A., 150 East 42nd Street, 40th Floor, New York, New York 10017, Attn: James R. Lewis; Foley & Lardner LLP, 321 North Clark Street, Suite 2800, Chicago, Illinois 60654, Attn: Mark F. Hebbeln, Esq.; (vi) the indenture trustee for the Debtor's unsecured bond issuances, U.S. Bank Corporate Trust Services, Global Corporate Trust Services, 60 Livingston Ave., EP-MN-WSID,

St. Paul, Minnesota 55107, Attn: Cindy Woodward; (vii) counsel to the unofficial committee of senior secured noteholders, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn: Alice Belisle Eaton, Esq.; Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 King Street, Wilmington, Delaware 19801, Attn: Pauline K. Morgan, Esq.; (viii) the Office of the United States Trustee for the District of Delaware, Office of the United States Trustee, Room 2207, Lockbox 35, 844 North King Street, Wilmington, Delaware 19801, Attn: Mark Kenney, Esq.; (ix) counsel to the Creditors' Committee, Lowenstein Sandler LLP, 65 Livingston Avenue, Roseland, New Jersey 07068, Attn: Sharon L. Levine, Esq. and Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, Attn: Robert J. Dehney, Esq.; and (x) the fee examiner, Robert J. Keach, Esq., Bernstein, Shur, Sawyer & Nelson, P.A., 100 Middle Street, P.O. Box 9729, Portland, Maine 04104-5029.

CONCLUSION

96. WHEREFORE, the Applicant respectfully requests the Court to enter an order (i) awarding the Applicant \$1,912,254.55 comprised of \$1,854,326.85 in fees and \$57,927.70 in costs, as reasonable compensation during the Application Period; (ii) authorizing payment of \$1,354,145.64 comprised of \$1,341,162.45 in fees and \$12,983.19 in costs, representing outstanding amount for the Application Period; and (iii) granting such other and further relief as the Court deems appropriate.

[Signatures on Next Page]

Dated: New York, New York
January 30, 2015

SHEPPARD MULLIN RICHTER &
HAMPTON LLP

/s/ Carren B. Shulman

By: Carren Shulman, *Admitted Pro Hac Vice*

30 Rockefeller Plaza

New York, New York 10112

Telephone: (212) 653-8700

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- and-

Randolph C. Visser, Esq.

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Los Angeles, CA 90071

Telephone: (213) 620-1780

Facsimile: (213) 443-2839

EXHIBIT A - Certification

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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	:
<i>In re</i>	: Chapter 11
	:
EXIDE TECHNOLOGIES	: Case No. 13-11482 (KJC)
	:
Debtor.	:
	:
	: Hearing Date: TBD
	:
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CERTIFICATION IN CONNECTION WITH THE SIXTH INTERIM APPLICATION FOR ALLOWANCE AND PAYMENT OF COMPENSATION AND REIMBURSEMENT OF EXPENSES TO SHEPPARD MULLIN RICHTER AND HAMPTON LLP AS SPECIAL COUNSEL TO THE DEBTORS

I, Carren B. Shulman, hereby certify that:

1. I am a partner with Sheppard Mullin Richter & Hampton LLP (the "Applicant") designated with the responsibility for compliance with Sections 328, 330, 331 and 503(b) of the Bankruptcy Code, Rule 2016 of the Bankruptcy Rules, Delaware Bankruptcy Local Rule 2016-2, the United States Trustee's Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (the "UST Guidelines"), and the terms of the *Order Establishing Interim Compensation Procedures* [Docket No. 330] (the "Interim Compensation Order") for the chapter 11 case of Exide Technologies, as debtor and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtor").

2. This certification is made in connection with the *Sixth Interim Fee Application of Sheppard, Mullin, Richter and Hampton LLP for Compensation for Services Rendered and Reimbursement of Expenses as Special Counsel to the Debtor for the Period from September 1, 2014 Through and Including November 30, 2014, dated January 30, 2015* (the "Application"),

which seeks interim compensation and reimbursement of expenses for the period September 1, 2014 through November 30, 2014 (the "Application Period").

3. I certify that:

(i) I have read the Application;

(ii) to the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and disbursements sought fall within the local guidelines and the UST Guidelines;

(iii) as set forth in the Application, the fees and disbursements sought are billed at rates and in accordance with practices customarily employed by Applicant and generally accepted by Applicant's clients; and in incurring a reimbursable expense, Applicant does not make a profit on that expense, whether the expense is incurred by Applicant in-house or through a third party.

4. Except as provided herein, I certify that the Applicant has provided the Debtor, the Official Committee of Unsecured Creditors, and the Office of the United States Trustee for the District of Delaware with a statement of Applicant's fees and disbursements accrued during each month within 30 days after the end of each subsequent month, as calculated pursuant to Rule 9006 of the Federal Rules of Bankruptcy Procedure, in accordance with the Interim Compensation Order.

5. I certify that the Debtors, the Official Committee of Unsecured Creditors, and the Office of the United States Trustee for the District of Delaware are each being provided with a copy of the Application.

Dated: New York, New York
January 30, 2015

SHEPPARD MULLIN RICHTER & HAMPTON LLP

/s/ Carren B. Shulman

By: Carren Shulman, *Admitted Pro Hac Vice*

30 Rockefeller Plaza

New York, New York 10112

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EXHIBIT B – PROPOSED ORDER

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----	X
	:
<i>In re</i>	: Chapter 11
	:
EXIDE TECHNOLOGIES	: Case No. 13-11482 (KJC)
	:
Debtor.	: Related Docket No. _____
	:
	:
	:
-----	X

ORDER GRANTING SIXTH INTERIM FEE APPLICATION OF SHEPPARD, MULLIN, RICHTER AND HAMPTON LLP FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES AS SPECIAL COUNSEL TO THE DEBTOR FOR THE PERIOD FROM SEPTEMBER 1, 2014 THROUGH AND INCLUDING NOVEMBER 30, 2014

Upon consideration of the *Sixth Interim Fee Application for the Allowance of Compensation for Services Rendered and Reimbursement of Expenses for the Period of September 1, 2014, Through and Including November 30, 2014* (the “Application”), for approval and allowance of fees and expenses Sheppard, Mullin, Richter & Hampton LLP (“Sheppard Mullin”), as Special Counsel for the Debtor in the above-captioned case, during the period of September 1, 2014 through and including November 30, 2014; and this Court having determined that proper and adequate notice has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED that:

1. The Application is granted.
2. Sheppard Mullin is allowed compensation and reimbursement of expenses for the Period of September 1, 2014 through and including November 30, 2014, in the amount of \$1,854,326.85 for fees and \$57,927.70 in expenses as set forth in the Application.

3. The above-captioned debtor and debtor-in-possession is authorized and directed to disburse to Sheppard Mullin payments set forth in the Application less any interim payments received by Sheppard Mullin for fees and expenses under the Interim Compensation Order, as set forth in the Application, subject, however, to the prevailing holdback procedures applicable to Retained Professionals in this case.

4. This Order shall be effective immediately upon entry.

Dated: _____, 2015

Honorable Kevin J. Carey
United States Bankruptcy Judge