

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:) Chapter 11
ARCHDIOCESE OF MILWAUKEE,)
Debtor,) Case No. 11-20059-SVK
)
)
)

**FIRST AMENDED APPLICATION OF THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS PURSUANT TO FED. R. BANKR. P. 2014 FOR
ENTRY OF AN ORDER AUTHORIZING AND APPROVING THE
EMPLOYMENT OF BERKELEY RESEARCH GROUP, LLC AS FINANCIAL
ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
NUNC PRO TUNC TO MARCH 3, 2011 [AMENDS DOCKET NO. 188]**

The Official Committee of Unsecured Creditors (the "Committee")
appointed in the above-captioned case hereby submits this *First Amended Application of
the Official Committee of Unsecured Creditors Pursuant to Fed. R. Bankr. P. 2014 for
Entry of an Order Authorizing and Approving the Employment of Berkeley Research
Group, LLC as Financial Advisor to the Official Committee of Unsecured Creditors Nunc
Pro Tunc to March 3, 2011* (the "Application"). In support of this Application, the
Committee relies on the Affidavit of Marvin A. Tenenbaum (the "Tenenbaum Affidavit")
and the Affidavit of Matthew K. Babcock, both filed concurrently herewith, and
respectfully represents as follows:

James I. Stang (CA Bar No. 94435)
Kenneth H. Brown (CA Bar No. 100396)
Gillian N. Brown (CA Bar No. 205132)
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I. JURISDICTION

1. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of this proceeding and this Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 328, 504, 1102, and 1103 of title 11 of the United States Code (the “Bankruptcy Code”), and Rules 2014 and 2016 of the Federal Rule of Bankruptcy Procedure (the “Bankruptcy Rules”).

II. BACKGROUND

3. On January 4, 2011, the Archdiocese of Milwaukee (the “Debtor”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

4. The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this chapter 11 case (the “Bankruptcy Case”).

5. On January 24, 2011, (the “Committee Formation Date”), the Office of the United States Trustee (the “U.S. Trustee”) appointed the Committee to represent all unsecured creditors of the Debtor pursuant to section 1102 of the Bankruptcy Code. *See* Docket No. 86.

6. On January 25, 2011, the Committee determined to retain, subject to Court approval, Pachulski Stang Ziehl & Jones LLP as counsel to represent the Committee in all matters during the pendency of this Bankruptcy Case. After the Committee Formation Date, the Committee determined to retain, subject to Court approval, Berkeley Research Group, LLC ("BRG") as its financial advisor in the Bankruptcy Case.

7. On April 11, 2011, the Committee filed its original application to employ BRG as its financial advisor. *See* Docket No. 188. After receiving requests for clarification and/or additional information from the United States Trustee's office and counsel for the Debtor, the Committee agreed to file this revised Application. No parties responded substantively to the original application to employ BRG (*see* Docket No. 196). The Court has not ruled on Docket No. 188.

8. Upon review of the Debtor's Schedules and Statement of Financial Affairs, based on information elicited at the Section 341(a) meeting of creditors in this Bankruptcy Case, and during discussions that Committee counsel and BRG held with Debtor's counsel and the Debtor's Chief Financial Officer in April 2011, the Committee has identified several areas of inquiry regarding the potential transfer of property of the estate in the months and years preceding the filing of the Bankruptcy Case:

a. \$55 million transferred to Trust in 2008: The Debtor's financial statements state that the Archdiocese of Milwaukee Catholic Cemetery

Perpetual Care Trust (the "Perpetual Care Trust") was established on April 2, 2007. The Perpetual Care Trust and the assets therein are not listed as property of the estate on the Debtor's schedules. *See also* footnote to SOFA line 10b (asserting that the Perpetual Care Trust was created "to formalize the existing trust relationship" relating to future care of mausoleums, crypts, and gravesites that the Debtor owns). In March 2008, after the Wisconsin Supreme Court permitted sex abuse personal injury cases to be prosecuted against the Debtor, the Debtor funded the Perpetual Care Trust with approximately \$55 million. The source of the \$55 million is not clear. Therefore, the Committee seeks to investigate whether the transfer of the \$55 million used to fund the Perpetual Care Trust is avoidable and/or whether that \$55 million is property of the Debtor's estate.

b. Allegedly Restricted Trusts: Furthermore, the Debtor has scheduled three trusts at Schedule B (Personal Property) as containing more than \$5.8 million, cumulatively, that the Debtor allegedly cannot access to pay creditor claims in this bankruptcy case. These trusts include the St. Aemilian Trust, the Mary B. Finnigan Endowment Fund, and the Rapp Trust Fund. However, the Committee's professionals seek to analyze whether the alleged trusts and the property therein are properly restricted and thus inaccessible to the estate's creditors.

c. Faith in Our Future: The Debtor has made payments, as recently as December 2010, to a public relations firm that helped "launch the largest development campaign in the [Archdiocese's] history to raise \$105 million over a three-

year period.” See http://www.emeraldislepr.com/portfolio_IC.html. That same website indicates that more than \$80 million has been raised in the campaign. The Debtor’s own website states that 40% of this Faith in Our Future campaign is dedicated to the Debtor’s initiatives and expenses incurred in the campaign itself. Moreover, at the Section 341(a) meeting of creditors, the Debtor’s Chief Financial Officer, John Marek, testified that the Archbishop Listecky and Reverend Sklba – both high-level functionaries at the Archdiocese of Milwaukee – are two of the five people in charge of this campaign. However, the Debtor has not accounted for any of these funds in its schedules and statement of financial affairs. The Committee seeks to investigate the ownership of those funds.

d. Parish Deposit Fund: The Debtor’s financial statements, publicly available on the Debtor’s website, indicate that the Debtor held more than \$70 million in a so-called “Parish Deposit Fund” in 2004. However, at some point in 2005, the Debtor’s financials no longer record the existence of the Parish Deposit Fund. The Committee does not know what happened to those funds, by whom they were owned, and whether these funds are subject to avoidance actions. This is yet another area of inquiry for BRG.

e. Avoidance Actions: BRG has identified several payments, at least two of which each exceed \$1 million, that appear to be avoidable preferential transfers and/or fraudulent transfers.

9. In short, the information adduced thus far regarding the Debtor's financial picture necessitates the financial advisory expertise of BRG in order to test the Debtor's narrow view of what constitutes property of the estate in this Bankruptcy Case.

III. RELIEF REQUESTED AND BASIS FOR RELIEF

10. By this Application, the Committee seeks to employ and retain BRG *nunc pro tunc* to March 3, 2011, as its financial advisor in connection with the unsecured creditors' interests, as set forth in this Application. The Committee understands that BRG will seek compensation from the Debtor's estate at BRG's regular hourly rates for its professionals and paraprofessionals, and reimbursement of expenses incurred on the Committee's behalf, subject to Court approval after notice and a hearing.

11. The Committee is familiar with the professional standing and reputation of BRG and understands and recognizes that BRG has a wealth of experience in providing financial advisory services in restructurings and reorganizations, and enjoys an excellent reputation for services it has rendered in large and complex chapter 11 cases on behalf of debtors and creditors throughout the United States. Moreover, the Committee is aware that a portion of BRG's advisors who will be working on this Bankruptcy Case have prior experience in other diocesan bankruptcy cases, including (i) appointment as the bankruptcy court's expert, pursuant to Federal Rule of Evidence 706, in *In re The Roman Catholic Bishop of San Diego* (Bankr. S.D. Cal., Case No. 07-00939-LA11); and (ii) financial advisor to the official committees of unsecured creditors in *In re*

Society of Jesus, Oregon Province (Bankr. D. Or., Case No. 09-30938-elpl1) and *In re Catholic Diocese of Wilmington, Inc.* (Bankr. D. Del., Case No. 09-13560 (CSS)).¹ In June 2010, Mr. Neilson testified as an expert witness on behalf of the official committee of unsecured creditors in *In re Catholic Diocese of Wilmington, Inc.* The committee in that case prevailed on its claim that more than \$100 million held in trust in the Catholic diocese's investment account was property of the estate. See *Official Committee of Unsecured Creditors v. Catholic Diocese of Wilmington (In re Catholic Diocese of Wilmington, Inc.)*, 432 B.R. 135 (Bankr. Del. 2010).

12. Based on these facts, the Committee believes that BRG is exceedingly well-qualified to render the services described below.

13. Subject to Court approval in accordance with section 330(a) of the Bankruptcy Code, compensation will be payable to BRG on an hourly basis, plus reimbursement of BRG's actual, necessary expenses and other charges it incurs. BRG's schedule of 2011 billing rates are as follows:

a. Principals/Directors	\$490-650 per hour
b. Senior Managing Consultants	\$350-370 per hour
c. Consultants/Managing Consultants	\$315-330 per hour
d. Associates/Senior Associates	\$215-235 per hour
e. Paraprofessionals	\$88-165 per hour

¹ During each of these engagements, the BRG advisors were part of LECG, LLC. Effective on or about March 1, 2011, this group of advisors transferred its practice from LECG, LLC to BRG.

These rates are set at a level designed to fairly compensate BRG for the work of its professionals and paraprofessionals, and to cover fixed and routine overhead expenses.²

It is BRG's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, telephone and telecopier charges, mail and express mail charges, special or hand delivery charges, document retrieval, photocopying charges, charges for mailing supplies, travel expenses, expenses for "working meals," computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. BRG will charge the estate for these expenses in a manner and at rates consistent with charges made generally to BRG's other clients. BRG believes that it is more fair to charge these expenses to the clients incurring them than to increase the hourly rates and spread the expenses among all clients.

14. The professional services that BRG will render to the Committee include, but shall not be limited to, the following:

a. assisting the Committee in the review of financial related disclosures required by the Court and/or Bankruptcy Code, including the Schedules of Assets and Liabilities, the Statement of Financial Affairs, and Monthly Operating Reports;

b. analyzing the Debtor's accounting reports and financial statements to assess the reasonableness of the Debtor's financial disclosures;

² These rates are subject to periodic adjustments to reflect economic and other conditions.

c. providing forensic accounting and investigations with respect to transfers of the Debtor's assets and recovery of property of the estate;

d. assisting the Committee in evaluating the Debtor's ownership interests of property alleged to be held in trust by the Debtor for the benefit of third parties and/or property alleged to be owned by non-debtor juridic entities;

e. assisting the Committee in the evaluation of the Debtor's organizational structure, including its relationship with the Parishes and other non-debtor organizations and charities;

f. assisting the Committee in evaluating the Debtor's cash management system;

g. assisting the Committee in analyzing the Debtor's assets and liabilities, and participating in and reviewing any proposed asset sales, and/or any other any asset dispositions;

h. assisting the Committee in the review of financial information that the Debtor may distribute to creditors and others, including, but not limited to, cash flow projections and budgets, cash receipts and disbursement analyses, analyses of various asset and liability accounts, and analyses of proposed transactions for which Court approval is sought;

i. attendance at meetings and assistance in discussions with the Debtor, the Committee, the U.S. Trustee, and other parties in interest and professionals hired by the above-noted parties as requested;

j. assisting in the review and/or preparation of information and analyses necessary for the confirmation of a plan, or for the objection to any plan filed in this case which the Committee opposes;

k. assisting the Committee in investigating the assets, liabilities and financial condition of the Debtor, the Debtor's operations and the desirability of the continuance of any portion of those operations;

l. assisting the Committee with the evaluation and analysis of claims (including any alleged pension claims and/or obligations of the Debtor), and on any litigation matters, including, but not limited to, avoidance actions for fraudulent conveyances and preferential transfers, and actions concerning the property of the Debtor's estate;

m. assisting the Committee with respect to any adversary proceedings that may be filed in the Debtor's case; and

n. providing such other services to the Committee as may be necessary in the case.

15. BRG intends to work closely with any other of the Committee's professionals to ensure that there is no unnecessary duplication of services performed or charged to the Debtor's estate.

16. Neither BRG nor any of its professional or paraprofessionals, insofar as the Committee has been able to ascertain, represent any interest adverse to the Debtor, its estate, its creditors, and the Committee in the matters upon which BRG is to be engaged. BRG is a "disinterested person," as the Committee understands this term to be defined, within the meaning of section 101(14), as modified by section 1103(b), of the Bankruptcy Code.

17. To the best of the Committee's knowledge, BRG has no prior connection with the Debtor, its creditors, or any other party-in-interest, or their respective attorneys or accountants in the matters upon which it is to be engaged that would in any way disqualify it from representing the Committee.

18. BRG has indicated a willingness to act as financial advisor upon the Committee's behalf, in accordance with the terms of this Application.

19. The Committee submits that it is necessary to employ BRG as its financial advisor to ensure that the interests of the Committee, and general unsecured creditors, are adequately represented in an efficient and effective manner. The Committee believes that, in light of BRG's general reorganization and bankruptcy expertise and its particularized understanding and experience in Catholic diocesan

bankruptcy cases, its understanding and knowledge of the types of issues that have arisen and are likely to arise in this case, BRG is well suited to provide financial advisory services to the Committee in this case.

20. Since the Committee, subject to approval by the Court, retained the services of BRG in February, 2011, but BRG did not perform any work until March 3, 2011, the Committee requests that any order entered authorizing such retention be effective as of March 3, 2011.³

IV. COMPENSATION

21. Pursuant to section 330(a) of the Bankruptcy Code and Local Bankruptcy Rule 2014, the Committee proposes a fee cap for BRG in the amount of \$100,000 relating to its work analyzing assets of the Debtor/property of the estate and evaluating asset recovery strategies with the Committee and Committee counsel.

22. The Committee further proposes that it may seek increases of that fee cap by making an application to this Court. Because the Debtor has not yet provided BRG with access to the documents necessary for BRG to perform its asset analysis and asset recovery investigations in detail, BRG cannot yet inform the Court of the precise dollar amounts necessary for this work.

³ BRG estimates that it expended approximately 20 hours in March 2011 relative to its position as proposed financial advisor to the Committee in this Bankruptcy Case. In April 2011, BRG billed approximately 40 hours to this case, mostly in preparation for and attendance at the April 14-15 meeting in Milwaukee with the Debtor's Chief Financial Officer and Debtor's counsel.

V. NOTICE

23. Notice of this Motion has been given to (i) the U.S. Trustee; (ii) counsel to the Debtor; and (iii) those parties requesting notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure. The Committee submits that, in light of the nature of the relief requested, no other or further notice need be given.

VI. PRIOR REQUEST

24. On April 11, 2011, the Committee filed an application to employ BRG as its financial advisors. After receiving requests for clarification and/or additional information from the United States Trustee's office and counsel for the Debtor, the Committee agreed to file this revised Application. *See* Docket No. 188. No parties responded substantively to the original application to employ BRG (*see* Docket No. 196). The Court has not ruled on Docket No. 188. The Committee has not made a similar Application in any other court to employ BRG in this bankruptcy case.

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WHEREFORE, the Committee requests entry of an Order substantially in the form attached hereto, authorizing the Committee to employ and retain BRG as financial advisor to the Committee, *nunc pro tunc* to March 3, 2011, and granting such other and further relief as is just and proper.

Dated: May 16, 2011

**OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR THE ARCHDIOCESE OF
MILWAUKEE**

By: Charles W. Linneman

Chair of the Official Committee of Unsecured Creditors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:) Chapter 11
)
ARCHDIOCESE OF MILWAUKEE,) Case No. 11-20059-SVK
)
Debtor.)
)

**AFFIDAVIT OF DISINTERESTEDNESS
PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014; AND
AFFIDAVIT IN SUPPORT OF FIRST AMENDED APPLICATION OF THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS PURSUANT TO FED.
R. BANKR. P. 2014 FOR ENTRY OF AN ORDER AUTHORIZING AND
APPROVING THE EMPLOYMENT OF BERKELEY RESEARCH GROUP, LLC
AS FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS NUNC PRO TUNC TO MARCH 3, 2011**

I, Marvin A. Tenenbaum, declare under penalty of perjury as follows,
pursuant to Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure:

1. I am the Vice President and General Counsel of Berkeley Research Group, LLC (“BRG”). My business address is Berkeley Research Group, LLC; 181 W. Madison St., Suite 2950; Chicago, Illinois 60602. I am authorized by BRG to make this affidavit in support of BRG’s employment as financial advisor to the Official Committee of Unsecured Creditors in the above-captioned bankruptcy case.

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Kenneth H. Brown (CA Bar No. 100396)
Gillian N. Brown (CA Bar No. 205132)
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2. I have personal knowledge of the facts stated in this affidavit. If called as a witness, I could and would testify competently to these facts, except where matters are stated on information and belief. As to those facts, I am informed and believe that they are true.

3. I submit this affidavit in support of the *First Amended Application of the Official Committee of Unsecured Creditors Pursuant to Fed. R. Bankr. P. 2014 for Entry of an Order Authorizing and Approving the Employment of Berkeley Research Group, LLC as Financial Advisor to the Official Committee of Unsecured Creditors Nunc Pro Tunc to March 3, 2011* (the "Application"), filed concurrently herewith.

4. BRG is a Nevada limited liability company headquartered in Emeryville, California. BRG employs more than 250 persons in 11 offices across the world. On or about March 1, 2011, R. Todd Neilson, Matthew K. Babcock, and members of their forensic accounting group/financial advisors left their prior employment at LECG, LLC to join BRG.

5. BRG is a consulting firm that provides independent expert testimony, litigation and regulatory support, authoritative studies, strategic advice, and document and data analytics to major law firms, Fortune 500 corporations, government agencies, and regulatory bodies around the world. BRG experts and consultants specialize in the provision of sophisticated economic, financial, and analytical advice across a wide range of disciplines including antitrust and competition policy, complex

damages, finance, healthcare, intellectual property, valuation, and workforce issues. In addition, BRG advises clients in major industry sectors with compliance, business process improvement, and strategy consulting.

6. The services that the Committee has expressed interest in BRG rendering to the Committee in this case, among other things, are the following:

a. assisting the Committee in the review of financial related disclosures required by the Court and/or Bankruptcy Code, including the Schedules of Assets and Liabilities, the Statement of Financial Affairs, and Monthly Operating Reports;

b. analyzing the Debtor's accounting reports and financial statements to assess the reasonableness of the Debtor's financial disclosures;

c. providing forensic accounting and investigations with respect to transfers of the Debtor's assets and recovery of property of the estate;

d. assisting the Committee in evaluating the Debtor's ownership interests of property alleged to be held in trust by the Debtor for the benefit of third parties and/or property alleged to be owned by non-debtor juridic entities;

e. assisting the Committee in the evaluation of the Debtor's organizational structure, including its relationship with the Parishes and other non-debtor organizations and charities;

- f.* assisting the Committee in evaluating the Debtor's cash management system;
- g.* assisting the Committee in analyzing the Debtor's assets and liabilities, and participating in and reviewing any proposed asset sales, and/or any other any asset dispositions;
- h.* assisting the Committee in the review of financial information that the Debtor may distribute to creditors and others, including, but not limited to, cash flow projections and budgets, cash receipts and disbursement analyses, analyses of various asset and liability accounts, and analyses of proposed transactions for which Court approval is sought;
- i.* attendance at meetings and assistance in discussions with the Debtor, the Committee, the U.S. Trustee, and other parties in interest and professionals hired by the above-noted parties as requested;
- j.* assisting in the review and/or preparation of information and analyses necessary for the confirmation of a plan, or for the objection to any plan filed in this case which the Committee opposes;
- k.* assisting the Committee in investigating the assets, liabilities and financial condition of the Debtor, the Debtor's operations and the desirability of the continuance of any portion of those operations;

l. assisting the Committee with the evaluation and analysis of claims (including any alleged pension claims and/or obligations of the Debtor), and on any litigation matters, including, but not limited to, avoidance actions for fraudulent conveyances and preferential transfers, and actions concerning the property of the Debtor's estate;

m. assisting the Committee with respect to any adversary proceedings that may be filed in the Debtor's case; and

n. providing such other services to the Committee as may be necessary in the case.

7. The terms of BRG's employment agreed to with the Committee, subject to this Court's approval, are as follows: (i) no retainer has been or will be paid to BRG; (ii) neither the Committee nor any of its members (or their representatives) shall be liable for any fees or costs that BRG incurs; (iii) BRG will charge its regular, hourly rates as set forth as follows:

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|----|----------------------------------|--------------------|
| a. | Principals/Directors | \$490-650 per hour |
| b. | Senior Managing Consultants | \$350-370 per hour |
| c. | Consultants/Managing Consultants | \$315-330 per hour |
| d. | Associates/Senior Associates | \$215-235 per hour |
| e. | Paraprofessionals | \$88-165 per hour |

(iv) BRG will seek reimbursement of expenses at its cost or as otherwise allowed by the Court.

8. BRG understands that all of its fees and expenses are subject to Court approval. BRG believes that it is qualified to represent the Committee in light of its extensive experience in chapter 11 cases and, in particular, with regard to the expertise of R. Todd Neilson and Matthew K. Babcock, and their support staff, in Catholic entity-related bankruptcy cases, including Mr. Neilson's appointment as the bankruptcy court's financial expert, pursuant to Federal Rule of Evidence 706, in *In re The Roman Catholic Bishop of San Diego* (Bankr. S.D. Cal., Case No. 07-00939-LA11); and (ii) bankruptcy court approval of Messrs. Neilson and Babcock's team to serve as financial advisor to the official committees of unsecured creditors in *In re Society of Jesus, Oregon Province* (Bankr. D. Or., Case No. 09-30938-elp11) and *In re Catholic Diocese of Wilmington, Inc.* (Bankr. D. Del., Case No. 09-13560 (CSS)).¹

9. BRG has not received any retainer from any person, or any payment, nor any promise of payment in relation to this case, during the one-year period prior to the filing of the debtor's petition. No post petition compensation has been paid or promised to be paid from a source other than the estate in this case. Neither the Committee nor its members (or any of their representatives) are or will be liable for fees or costs incurred by BRG in its representation of the Committee.

¹ During each of these engagements, the BRG advisors were part of LECG, LLC. Effective on or about March 1, 2011, this group of advisors transferred its practice from LECG, LLC to BRG.

10. BRG has made the following investigation of disinterestedness prior to submitting this affidavit: in connection with the proposed retention of BRG as financial advisor to the Committee, BRG was provided a list of the Debtor's creditors and other persons identified as parties in interest in the Debtor's bankruptcy case. At my direction, employees of BRG processed through BRG's computerized conflict check system the Debtor's name as well as the names of the Debtor's creditors and other parties of interest in this bankruptcy case (the "Conflicts Search List"). A true and correct copy of the Conflicts Search List is attached hereto as **Exhibit A**. BRG reviewed the results of that processing. BRG has concluded that it does not have any conflicts with any of the entities listed on the Conflicts Search List.

11. Based on the process referred to above, to the best of my knowledge, information, and belief, I am informed and believe as follows:

- a. BRG has had no previous contact or ties with the Debtor;
- b. BRG does not provide services to any entity listed on the Conflicts Search List;
- c. BRG is not a creditor, an equity security holder, or an insider of the Debtor;
- d. BRG is not and was not an investment banker for any outstanding security of the Debtor;

e. BRG was not, within three years before the Petition Date, an investment banker for a security of the Debtor, or an accountant or consultant to such investment banker in connection with the offer, sale, or issuance of any security of the Debtor;

f. BRG is not and was not, within two years before the Petition Date, a director, officer, or employee of the Debtor or of an investment banker of the Debtor;

g. BRG does not have an interest materially adverse to the interest of the Debtor or of any class of creditors or equity security holders by reason of any direct or indirect relationship with, connection with, or interest in, the Debtor or any investment banker, or for any other reason;

h. Except with respect to certain other bankruptcy engagements where an BRG consultant acts as a trustee for a debtor or as a consultant to a trustee of a debtor, BRG has no connection with the United States Trustee or persons employed by the Office of the United States Trustee; and

i. BRG was not owed any sums by the Debtor for services rendered or costs advanced on behalf of the Debtor prior to the Petition Date.

12. Because of the size of BRG's business, it is likely that BRG has provided, is presently providing, and may in the future provide, consulting services to parties listed on the Conflicts Search List or other creditors or parties in interest in the

Debtor's bankruptcy case, which services are unrelated to any matter involving this bankruptcy case. However, to the best of my knowledge, none of those prior and current engagements or other dealings makes BRG an interested person under the bankruptcy laws. If BRG identifies a creditor or other party in interest of the Debtor's bankruptcy estate that BRG has or is providing consulting services to in connection with this bankruptcy matter, it will promptly disclose such information in writing to the Court and to the Office of the United States Trustee.

13. BRG is currently employed in unrelated cases, including bankruptcy cases, as expert witnesses and/or consultants, for which other counsel associated with this case may be involved. I believe that such connections do not give BRG an adverse interest to the Debtor and do not affect BRG's "disinterestedness" under 11 U.S.C. §327. BRG and/or principals of BRG who will be involved in this case, have served in numerous matters where PSZJ also served, including, but not limited to, the following:

a. *In re R. Esmerian, Inc., and Ralph Esmerian* (Bankr. S.D.N.Y. 10-12719 (RDD)) (R. Todd Neilson serves as examiner; BRG serves as financial advisors/accountants to the examiner; PSZJ is counsel to the examiner);

b. *In re Society of Jesus, Oregon Province* (Bankr. D. Or. 09-30938-elpl1) (BRG is financial advisor to the Official Committee of Unsecured Creditors; PSZJ is counsel to the Official Committee of Unsecured Creditors);

c. *In re Catholic Diocese of Wilmington, Inc.* (Bankr. D. Del. 09-13560 (CSS)).(LECG was financial advisor to the Official Committee of Unsecured Creditors; PSZJ is counsel to the Official Committee of Unsecured Creditors);²

d. *In re The Harris Agency, LLC* (Bankr. E.D. Pa. 09-10384) (Mr. Neilson served as chapter 11 trustee; PSZJ was counsel to Mr. Neilson);

e. *In re Galleria USA, Inc.* (Bankr. C.D. Cal. 8:09-bk-20651 TA) (R. Todd Neilson of BRG is Chapter 11 Trustee; PSZJ is Mr. Neilson's counsel);

f. *In re Ezri Namvar* (Bankr. C.D. Cal. 2:08-32349-BR) (R. Todd Neilson of BRG is Chapter 11 Trustee; PSZJ is Mr. Neilson's special counsel);

g. *In re Del Biaggio, III aka "Boots" Del Biaggio* (Bankr. N.D. Cal. 08-30991 (TEC)) (Mr. Neilson is Chapter 11 Trustee; PSZJ represents Mr. Neilson);

h. *In re BDB Management, LLC* (Bankr. N.D. Cal. 08-31001 (TEC)) (Mr. Neilson is Chapter 11 Trustee; PSZJ represents Mr. Neilson);

i. *In re BDB Management III, LLC* (Bankr. N.D. Cal. 08-31002 (TEC)) (Mr. Neilson is Chapter 11 Trustee; PSZJ represents Mr. Neilson);

j. *In re Estate Financial, Inc.* (Bankr. C.D. Cal. 9:08-bk-11457-RR) (Thomas Jeremiassen of BRG is Chapter 11 Trustee; BRG serves as accountants to him; PSZJ represents Mr. Jeremiassen);

² During each of these engagements, the BRG advisors were part of LECG, LLC. Effective on or about March 1, 2011, this group of advisors transferred its practice from LECG, LLC to BRG.

- k. *In re Le-Nature's* (Bankr. W.D. Penn. 06-25454 (MBM))
(Mr. Neilson was the Chapter 11 Trustee and was represented by PSZJ);
- l. *In re Death Row Records, Inc.* (Bankr. C.D. Cal. 06-11205 EC) (Mr. Neilson was the Chapter 11 Trustee; PSZJ represented the Committee);
- m. *In re Michael G. Tyson* (Bankr. S.D.N.Y. 03-41300) (Mr. Neilson is currently the trustee of the MGT Liquidating plan trust and PSZJ is his counsel; BRG serves as accountants to Mr. Neilson);
- n. *In re Adelpia Communications Corporation* (Bankr. S.D.N.Y. 02-41729 RG) (BRG serves as forensic accountants to the Creditors' Committee and PSZJ represents a separate ad hoc committee);
- o. *In re Reed E. Slatkin* (Bankr. C.D. Cal. 01-11549 RR) (PSZJ represented the Debtor and Mr. Neilson was the Chapter 11 Trustee and now the Liquidating Agent; BRG serves as accountants to Mr. Neilson);
- p. *In re Focus Media, Inc.* (Bankr. C.D. Cal. 00-38197 VZ);
- q. *In re JMS Automotive Rebuilders, Inc.* (Bankr. C.D. Cal. 2:98-56224-EC) (Current BRG employees handled tax issues; PSZJ represented Dana Holdings Corporation, indirect parent of CP Product Inc. as successor to Ace Electric Company, Inc., a claimant);
- r. *In re Magic Ford* (Bankr. C.D. Cal. SV 96-20969-GM) (Mr. Neilson served as the chapter 11 trustee; PSZJ was his counsel);

s. *In re Hiuka America Corporation* (Bankr. C.D. Cal. 95-27964) (Mr. Neilson was the Chapter 11 Trustee, then the Disbursing Agent; PSZJ represented Mr. Neilson in both capacities); and

t. *In re Bruce McNall* (Bankr. C.D. Cal. 94-48351 TD) (Mr. Neilson was the Chapter 11 Trustee; PSZJ represented the purchaser of the estate's interest in the Los Angeles Kings hockey team).

14. True and correct copies of the resumes of R. Todd Neilson and Matthew K. Babcock, the BRG professionals expected to have primary responsibility for this case, are attached hereto as **Exhibit B**.

Dated this 9th day of May, 2011.



Subscribed and sworn to before me
this 9th day of May, 2011.

Jeannette F. Feddern
Notary Public, State of Illinois
My commission expires: 2/25/2015



EXHIBIT A

Attachment A

Archdiocese of Milwaukee

Archdiocese of Milwaukee Priests' Retiree Health Plan

M.H.S., Inc.

Archdiocesan Cemeteries of Milwaukee Union Employees' Pension Plan

Archdiocese of Milwaukee Lay Employees' Pension Plan

Archdiocese of Milwaukee Priests' Pension Plan

*These entities were searched through the BRG conflicts check system and none were found to be a potential conflict.

EXHIBIT B



R. Todd Neilson, Director

2049 Century Park East, Suite 2300
Los Angeles, California 90067
Direct: 310.556.0709
Fax: 310.556.0766
Email: tneilson@lecg.com

Summary

R. Todd Neilson is a Director at LECG LLC. Previously, Mr. Neilson was a founding partner of Neilson Elggren LLP (formerly Neilson, Elggren, Durkin & Co.). He is one of the nation's foremost experts in bankruptcy and forensic accounting with over thirty years combined experience in public accounting and as a Special Agent with the FBI.

In 1986, he was a founding partner of Neilson, Elggren, Durkin and Co., which was acquired by an international financial consulting firm in March 1998, where Mr. Neilson was a partner from March 1998 to September 2000. Prior to 1986, he was a manager in the Litigation/Consulting Services department of the international CPA firm of KMG/Main Hurdman for four years and also served as a special agent in the Federal Bureau of Investigation, specializing in accounting investigation of white-collar and organized crime. Due to his background, Mr. Neilson offers a unique set of skills in the areas of financial consulting and as an expert in the field of forensic accounting and fraud litigation.

Mr. Neilson is a seasoned professional having acted as a Trustee, financial consultant and expert witness in numerous high-profile accounting related litigation engagements involving complex bankruptcy reorganization matters including accounting and fraud issues, tracing of funds, financial data reconstruction, damages and lost profits, Ponzi and RICO matters, valuation, and business viability issues. Mr. Neilson has acted as bankruptcy Trustee for notable clients such as Mike Tyson, Suge Knight and Death Row Records. As Trustee, he has also operated, and negotiated the sale of an extremely large and diverse array of assets, including one of the largest Ford dealerships in the nation, an ownership interest in both the Los Angeles Kings' and Nashville Predators' hockey franchises, luxury hotels, sand and rock quarries, antique art collections, real estate, and trucking companies. Having evaluated and sold well over \$1 billion dollars of assets, Mr. Neilson brings substantial credibility to the court - credibility borne of practical, not just theoretical experience.

Mr. Neilson is a nationally recognized expert in bankruptcy and accounting having served on the national Board of Directors of the Association of Insolvency and Restructuring Advisors, Chairman of the Securities Advisory Board in the State of Utah, faculty for the Certified Fraud Examiners, and a member of the Society of the Former Special Agents of the Federal Bureau of Investigation. He has spoken on bankruptcy, litigation support, valuation and fraud related topics to numerous professional groups such as American Institute of Certified Public Accountants (AICPA), National Conference of Bankruptcy Judges, California and Utah Society of CPA's and numerous colleges and universities throughout the United States. Mr. Neilson presently serves as an Associate Professor in the Graduate School of Accounting at the University of Utah, where he teaches a course on Forensic Accounting. He also provides regular instruction on fraud related litigation issues at the FBI Academy to CPA/FBI Agents. He was a co-author of the *AICPA Bankruptcy Practice Guide*, issued as a practice aid to all CPA's in the United States and co-author of *The CPA's Handbook of Fraud and Commercial Crime Prevention*, also issued by the AICPA. He was also inducted as a fellow in the prestigious American College of Bankruptcy, one of only a handful of CPA's in the United States given that honor.

Mr. Neilson has been involved in some of the highest profile litigation and bankruptcy matters in the nation. Highlighted below are some of the cases, which demonstrate his unique background and experience.

Examples

Ezri Namvar

Mr. Neilson is acting as Chapter 11 Trustee for the Ezri Namvar bankruptcy. Mr. Namvar, a well known member of the Iranian Jewish Community in Los Angeles, has received \$3 billion in investments and loans over the past 5 years and disbursed those funds through close to 400 separate LLC's involving ownership in a wide array of assets such as hotels, golf courses, low-income housing projects, pistachio farms, conference center sites, medical buildings and ground leases. The task to untangle this multitude of inter-related LLC's involving Mr. Namvar will fall to Mr. Neilson.

Roman Catholic San Diego Diocese Chapter 11 Bankruptcy

In April 2007, Mr. Neilson was the Court Appointed Expert in the Chapter 11 Bankruptcy of the Roman Catholic San Diego Diocese. The Court charged Mr. Neilson with providing an expansive report into the accounting and financial operations of the San Diego Diocese as well as related Catholic Parishes. It was the first time an independent Expert has been appointed for such a task in regards to a number of the Diocese bankruptcies throughout the United States.

Le Nature Chapter 11 Bankruptcy

In 2007, Mr. Neilson was appointed Chapter 11 Bankruptcy Trustee in Le Nature, a water, iced tea, and juice drink distributor located in Latrobe, Pennsylvania and Phoenix, Arizona. Mr. Neilson supervised the liquidation of Le Nature bottling plants and other assets as well as conducted the forensic accounting analysis of a purported \$750 million accounting fraud perpetrated upon the creditors of Le Nature and related companies.

Michael Tyson and Michael Tyson Enterprises

Michael Tyson, former heavyweight champion of the world, and Michael Tyson Enterprises Inc. filed for bankruptcy protection in August 2003. Neilson Elggren was appointed as financial consultants and crisis managers for Mr. Tyson and Michael Tyson Enterprises Inc. Mr. Neilson is the responsible partner for that engagement.

Adelphia Communications Corp

In August 2002, Neilson Elggren was appointed as Accountants to the Official Committee of Unsecured Creditors in the Adelphia Communications Corp ("Adelphia") bankruptcy. The Adelphia bankruptcy was the 6th largest cable company in the nation. Their filing constituted one of the largest bankruptcies in history encompassing over 200 subsidiaries and approximately \$21 billion in accumulated debt. Mr. Neilson acted as the primary partner in charge of the engagement. The prior owners of Adelphia, members of the Rigas family, were alleged to have engaged in the systematic looting of Adelphia. Neilson Elggren was engaged to the voluminous financial transactions of Adelphia and provide expert testimony as to their findings.

DVI, Inc.

DVI filed for Chapter 11 Bankruptcy protection on August 25, 2003. R. Todd Neilson was appointed as Examiner and conducted an extensive investigation of financial transactions involving the assets, liabilities, operations and financial condition of DVI and its subsidiaries (including all transactions and relationships between debtor and non-debtor subsidiaries and affiliates). DVI, with assets of approximately \$3 billion, provided financing for diagnostic imaging and other sophisticated medical equipment. As part of its financing operations, DVI originated hundreds of millions of dollars in

financing contracts and sold these contracts to institutional investors through over thirty (30) investment-grade securitization vehicles. The accounting examination included the accounting practices of the debtor and any and all allegations of fraud, dishonesty, incompetence, misconduct, mismanagement, or financial and / or corporate irregularities. Mr. Neilson coordinated a cooperative effort involving numerous law enforcement and government agencies, including the Office of the U.S. Trustee, the United States Attorneys' Office in Delaware and Pennsylvania, the Securities and Exchange Commission ("SEC"), the Federal Bureau of Investigation ("FBI"), and the United States Postal Service ("Postal Service"), all of which were tasked with conducting further investigations based upon the findings in the Examiner's report.

IT Group

In April 2002, R. Todd Neilson was appointed examiner in IT Group, a Chapter 11 bankruptcy in the District of Delaware. IT Group was a leading provider of services in the areas of consulting, engineering and construction, remediation, and facilities management. In 2000, IT Group had over 7,500 employees in 80 domestic offices and 10 international offices and its annual revenues on a consolidated basis were approximately \$1.4 billion. Neilson provided a detailed report detailing the assets, liabilities, valuation and financial condition of IT Group as well as its capabilities of confirming a stand-alone plan of reorganization versus a sale of existing assets to an interested purchaser.

Allegheny Health, Education and Research Foundation

Chapter 11- Financial Advisors to Mellon Bank Group in Pittsburgh, Pennsylvania – AHERF was a large conglomerate of medical hospitals and research centers located in the eastern part of the US. Neilson Elggren was engaged as financial advisors to Mellon Bank Group Credit Facility to provide expert testimony concerning the whether substantive consolidation was justified for AHERF, and whether the Plan of Reorganization ("Plan") as proposed by the AHERF Trustee unfairly prejudiced one or more creditors. Neilson Elggren prepared a detailed report in response to the Plan, which resulted in a settlement favorable to the Mellon Bank Group.

Reed Slatkin

Reed Slatkin, one of the co-founders of Earthlink, filed Chapter 11 bankruptcy in 2001 following pending legal actions by many of the individuals who had invested millions of dollars with Slatkin under the promise of substantial returns. Neilson Elggren investigated Slatkin's enterprises and business practices over a period of fifteen years and provided a report detailing one of the largest Ponzi schemes in California history involving over \$600 million of business transactions during that period. Mr. Neilson was appointed as Trustee in the Slatkin bankruptcy and was given the responsibility of liquidating substantial assets throughout the United States, including hotels, unimproved real estate, shopping malls, interests in movie production companies, and other substantial equity investments. Slatkin pled guilty and was incarcerated for a lengthy period in a federal prison.

Charles Keating/Lincoln Savings

Mr. Neilson was engaged as an expert witness in the litigation involving Charles Keating and American Continental Corporation, the parent company of Lincoln Savings, and the bondholders who invested approximately \$250 million in the debentures of American Continental. He directed the review of approximately \$727 million, which passed through American Continental from 1984 through 1989 and testified as to the findings in the federal District Court in Tucson, Arizona. The day after Mr. Neilson's testimony, two major defendants settled for over \$90 million. Total settlements in this matter exceeded \$300 million.

Bruce McNall Chapter 11 Bankruptcy

Mr. Neilson was appointed Chapter 11 Trustee in the personal bankruptcy of Bruce McNall in Los

Angeles. Mr. McNall's holdings include ownership of the Los Angeles Kings hockey franchise, ownership interest in the Toronto Argonauts Canadian football franchise, as well as considerable holdings in thoroughbred horses, rare coins and antiques, and sports memorabilia. Mr. McNall was incarcerated for bank fraud. Mr. Neilson supervised the accounting investigation into Mr. McNall's past activities, which included tracing of over \$2.5 billion in cash and asset transfers

Technical Equities Chapter 11

Mr. Neilson directed the accounting analysis detailing the financial demise of Technical Equities, a San Francisco based investment company and reportedly the largest investor fraud case in U.S. history. Harry Stern, former chief executive officer of Technical Equities, was sentenced to Federal prison for his role in the investor fraud. Mr. Neilson and his professionals traced almost \$600 million in cash and prepared a damage analysis. As a result of his testimony, a settlement was achieved for the benefit of the creditors of Technical Equities.

Adnan Khashoggi/Triad America

He accepted the responsibility as Trustee of Triad America Corporation in the United States Bankruptcy Court. Triad America is the parent corporation of sixty separate companies with \$200 million in total claims. Mr. Neilson directed the accounting and litigation effort, which resulted in the freezing of all assets in the United States, owned by Adnan and Essam Khashoggi and the subsequent payment of \$32 million by Adnan Khashoggi to the estate.

Property Mortgage Company

Property Mortgage Company was a second mortgage company that had operated successfully in the Southern California area for over 40 years. The company filed for bankruptcy protection, asserting debts in excess of \$100 million dollars to approximately 1,000 investors. Mr. Neilson was appointed as Trustee. In that capacity, he supervised the analysis of hundreds of millions of dollars flowing through the company. Based upon that review, we concluded that for a number of years prior to its demise the company had been operating a Ponzi scheme, paying old investors with the funds secured from fresh investors. As a result of our accounting investigation the President and Chief Executive Officer as well as two other participants were convicted of fraud.

Dovie Beams de Villagran

Mr. Neilson was appointed by the Federal Bankruptcy Court in California as Examiner in the bankruptcy of Dovie Beams de Villagran, former mistress of Ferdinand Marcos. As a result of the report filed with the Court and Mr. Neilson's testimony, Mrs. de Villagran was convicted on thirty-nine counts of bank fraud and embezzlement for filing false and misleading financial statements with federally insured banks.

Employment History

- Neilson Elggren LLP – Mr. Neilson was one of the founding partners of a practice that provided a combination of bankruptcy services, forensic and investigative accounting services, litigation consulting, corporate recovery and reorganization, valuation and tax services. Offices for Neilson Elggren LLP were located in Los Angeles, California, Salt Lake City, Utah and Wilmington, Delaware.
- Arthur Andersen – Arthur Andersen was formerly one of the "Big 5" international CPA and business-consulting firms with over 80,000 employees worldwide. Mr. Neilson served as a partner and national director of Trustee/Receiver practices throughout the United States for Arthur Andersen. He also served as a member of the Executive Committee for the Global Corporate Finance division of Arthur Andersen.
- Neilson, Elggren, Durkin & Co. - As one of the founding partners of this regional and consulting firm, Mr. Neilson was instrumental in the growth of this firm from a small office in Salt Lake City to a regional practice specializing in bankruptcy and litigation support services. The firm had grown to 85 employees and six offices prior to its merger with Arthur Andersen.
- KMG/Main Hurdman, Salt Lake City, Utah - Actively engaged as an expert witness in matters involving accounting and finance relating to contract claims, breach of contract, fraud, civil and criminal RICO, embezzlement, securities fraud, criminal matters, bankruptcy, and public hearings before regulatory bodies.
- Chief Deputy Auditor - Salt Lake County - Responsible for the accounting department, budget department, internal audit department and land assessment division for the Salt Lake County Auditor's Office. Within this capacity directed the office staff of 45 individuals and reviewed audits of governmental departments prior to issuance.
- Federal Bureau of Investigation - Special Agent Accountant - Responsible for accounting investigations including racketeer influenced and corrupt organizations involved in bank fraud, fraud against the government, bankruptcy fraud, mail fraud, securities fraud and others.

Education

- Bachelor of Science, University of Utah 1975
- Associate Professor – Graduate School of Accounting – University of Utah

Publications

- Co-Author of *AICPA Bankruptcy Practice Guide*. Authoritative practice guide to be issued to all practicing Certified Public Accountants in the United States, 1994
- Co-Author *The CPA's Handbook of Fraud and Commercial Crime Prevention* issued by the AICPA, 2002
- "Substantive Consolidation Accounting Issues" article for *Bankruptcy Litigation Counselor*, 1994
- "Methods for Uncovering & Conducting Investigative Audits," Utah State Auditors Operation Manual, 1982

Professional Memberships

- Association Of Insolvency Accountants - National Board of Directors
- Former Chairman - Securities Advisory Board - State of Utah - Accounting Profession Representative
- Former Chairman - Utah Association of CPA's - Professional Conduct and Ethics Sub-

Committee

- Member - National Association of Bankruptcy Trustees
- American Institute of Certified Public Accountants
- Utah Association of Certified Public Accountants
- Society of Former Special Agents of the Federal Bureau of Investigation - Past President of the Utah Chapter
- Former Board Member - Salt Lake City/County Board of Health Advisory Board
- Chairman of the Board - Private Bank of California

Speeches

- Instructor for the Certified Public Accountants Criminal Investigation Seminar at the FBI Academy in Quantico, Virginia.
- Association of Insolvency Accountants - Tax Implications of Selling Assets in Bankruptcy - San Diego, California 1999
- National Conference of Bankruptcy Judges - Valuations of Businesses in Bankruptcy - Dallas, Texas 1998
- American Bankruptcy Institute - Western Region - Procedures and Practices for Valuing Businesses in Bankruptcy - 1998
- Law and Justice Center - Utah Fellows of the American Academy of Matrimonial Lawyers - Methods of Valuing Businesses in Divorce - Salt Lake City, Utah - 1997
- Certified Fraud Examiners - Presentation on Fraud and Accounting Issues - Salt Lake City, Utah - 1997
- Associated Women - CPA's - Litigation Support and Accounting Issues - Salt Lake City, Utah 1997
- California Bankruptcy Institute - Accounting for Difficult Fraudulent Conveyances - Fresno, California 1997
- Association of Insolvency Accountants Valuation Conference, - Relief from Stay Valuation Issues, Salt Lake City, Utah, 1994
- Expert Witness Seminar - Preparing Accountants as Expert Witnesses, Salt Lake City, Utah, 1994
- Association of Insolvency Accountants National Conference, Washington, D.C. Plan of Reorganization Accounting Issues, 1993
- Association of Insolvency Accountants National Conference, Santa Monica, California - Role of Examiner in Bankruptcy, 1992
- Beta Alpha Psi - University of Utah, Brigham Young University, and Weber State University
- National Association of Accountants (Utah Chapter), Salt Lake City, Utah, 1982 and 1984
- Insolvency seminars at the University of Southern California (USC), University of Utah, Brigham Young University, and Weber State College
- Arizona CPA Litigation Services Conference, The Bankruptcy Arena, The Role of the Accountant, 1991



Matthew K. Babcock, Senior Managing Consultant

201 South Main Street, Suite 450 .
Salt Lake City, Utah 84111
Direct: 801.321.0076
Fax: 801.364.6230
Email: mbabcock@brg-expert.com

Summary

Matthew K. Babcock is a Senior Managing Consultant with Berkeley Research Group, LLC ("BRG"). Mr. Babcock is a Certified Public Accountant, a Certified Fraud Examiner and a Certified Insolvency and Restructuring Advisor with over thirteen years of public accounting experience in the fields of investigative accounting, litigation services and bankruptcy accounting.

Prior to BRG, Mr. Babcock worked with LECG LLC, Neilson Elggren LLP, Arthur Andersen, Neilson Elggren Durkin & Company and the Federal Bureau of Investigation ("FBI"). As an Honors Intern with the FBI, Mr. Babcock was assigned to work with the Office of Independent Counsel investigating former Secretary of Agriculture Mike Espy.

Mr. Babcock has provided both civil and criminal litigation support services related to the investigation of fraud and mismanagement, partner disputes, lost profit damages, patent infringement damages, breach of contract, economic analyses, tracing of funds, and financial record reconstruction. Additionally, he has training and experience investigating fraud and mismanagement including financial statement fraud, embezzlement schemes, "Ponzi" schemes, check kiting, bank fraud, and bankruptcy fraud. Mr. Babcock has also given various presentations relating to business fraud, financial statement fraud, bankruptcy fraud, and other fraud schemes.

Mr. Babcock's involvement in bankruptcy matters for both Chapter 11 and Chapter 7 filings includes services as Accountants to the Trustee, Accountants to the Liquidating Estate Manager, Accountants to the Debtor and Financial Advisor to the Official Committee of Unsecured Creditors. Mr. Babcock's responsibilities have included the preparation of various bankruptcy court filings, reports and schedules, analyses relating to liquidation and substantive consolidation issues, plan preparation and feasibility, and the identification and investigation of preferences, fraudulent transfers, post-petition transfers and other adversarial claims. He has assisted Trustees in operating Chapter 11 companies which included analyzing prior and on-going operations, cash flow projections, financial data reconstruction, tracing of funds, budgeting, hidden asset searches and other day-to-day accounting functions.

Case Examples

- Albright et al v. Attorneys Title Insurance Fund et al: Litigation Experts (Damage Study)
- Benson Bolt v. Zions First National Bank: Litigation Experts (Damage Study)
- Bruce P. McNall: Accountants to the Trustee
- C3 Investments: Accountants to the Debtor
- Catholic Diocese Of Wilmington, Inc.: Financial Advisor to the Official Committee of Unsecured Creditors
- DVI, Inc.: Accountants to the Examiner



- Husting Land & Development, Inc.: Accountants to the Trustee
- JD Services, Inc.: Accountants to the Trustee
- Le-Nature's, Inc.: Accountants to the Trustee
- Marshall v. Marshall: Litigation Experts (Damage Study)
- National School Fitness Foundation: Accountants to the Trustee
- Natural Wonders, Inc. / World Of Science, Inc.: Accountants to the Liquidating Estate Manager
- Promega v. Lifecodes: Litigation Experts (Patent Infringement Damage Study)
- Rich International Airways, Inc.: Accountants to the Liquidating Trustee
- Semnani v. USPCI: Litigation Experts (Damage Study)
- Society of Jesus Oregon Province: Financial Advisor to the Official Committee of Unsecured Creditors
- Tri-Valley Distributing, Inc.: Accountants to the Examiner
- William J. Del Biaggio III: Accountants to the Trustee

Industry Experience

- Automotive
- Construction
- Financial / Securitizations
- Internet / Telecommunications
- Manufacturing
- Not-For-Profit / Religious Institutions
- Professional Sports
- Retail
- Real Estate
- Transportation
- Waste Disposal

Employment History

- | | |
|----------------|--|
| 2011 – Present | BRG, LLC
Senior Managing Consultant |
| 2005 – 2011 | LECG, LLC
Senior Managing Consultant (2008 – 2011)
Managing Consultant (2005 – 2008) |
| 2000 – 2005 | Neilson Elggren LLP
Senior Manager (2005)
Manager (2001- 2005)
Senior Accountant (2000 – 2001) |
| 1998 – 2000 | Arthur Andersen
Senior Accountant (1999 - 2000)
Staff Accountant (1998 – 1999) |
| 1997 – 1998 | Neilson Elggren Durkin & Company
Staff Accountant (1998)
Intern (1997 - 1998) |
| Summer 1996 | Federal Bureau of Investigation
Honors Intern (Washington DC) |



Summer 1995

Federal Bureau of Investigation
Intern (Albuquerque, New Mexico)

Education

Bachelor of Science in Accounting (Magna Cum Laude), Brigham Young University, April 1998
Master of Professional Accountancy, Brigham Young University, April 1998

Licenses & Certifications

Certified Public Accountant – Utah
Certified Fraud Examiner (CFE)
Certified Insolvency & Restructuring Advisor (CIRA)
Certified In Financial Forensics (CFF)

Professional Memberships

American Institute of Certified Public Accountants
Utah Association of Certified Public Accountants
Association of Insolvency and Restructuring Advisors
Association of Certified Fraud Examiners
American Bankruptcy Institute

Instruction, Presentations & Publications

- Brigham Young University – "Business Fraud" (March 1999)
- Brigham Young University – "Global Corporate Finance" (Fall 1999)
- Brigham Young University – "Business and Financial Statement Fraud" (March 2000)
- Brigham Young University – "Financial Statement Fraud and the Role of the Forensic Accountant" (March 2001, April 2002, April 2003, April 2004 & November 2005)
- Brigham Young University – "Forensic Accounting" (January 2006 & October 2010)
- Utah State University – "Forensic Accounting" (October 2010)
- University Of Utah – "Fraud Examination & Forensic Accounting (Accounting 6540)" / Professional Faculty (Spring Semester 2011)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:) Chapter 11
ARCHDIOCESE OF MILWAUKEE,)
Debtor.) Case No. 11-20059-SVK
)
)
)

**AFFIDAVIT OF MATTHEW K. BABCOCK IN SUPPORT OF FIRST
AMENDED APPLICATION OF THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS PURSUANT TO FED. R. BANKR. P. 2014 FOR
ENTRY OF AN ORDER AUTHORIZING AND APPROVING THE
EMPLOYMENT OF BERKELEY RESEARCH GROUP, LLC AS FINANCIAL
ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
NUNC PRO TUNC TO MARCH 3, 2011**

I, Matthew K. Babcock, declare under penalty of perjury as follows:

1. I am a Senior Managing Consultant at Berkeley Research Group, LLC (“BRG”). My business address is Berkeley Research Group, LLC; 201 South Main, Suite 450; Salt Lake City, UT 84111. I am authorized by BRG to make this affidavit in support of BRG’s employment as financial advisor to the Official Committee of Unsecured Creditors in the above-captioned bankruptcy case.

James I. Stang (CA Bar No. 94435)
Kenneth H. Brown (CA Bar No. 100396)
Gillian N. Brown (CA Bar No. 205132)
Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Blvd., 11th Floor
Los Angeles, CA 90067
Telephone: (310) 277-6910
Facsimile: (310) 201-0760
E-mail: jstang@pszjlaw.com
kbrown@pszjlaw.com
gbrown@pszjlaw.com

2. I have personal knowledge of the facts stated in this affidavit. If called as a witness, I could and would testify competently to these facts, except where matters are stated on information and belief. As to those facts, I am informed and believe that they are true.

3. I submit this affidavit in support of the First Amended Application of the Official Committee of Unsecured Creditors Pursuant to Fed. R. Bankr. P. 2014 for Entry of an Order Authorizing and Approving the Employment of Berkeley Research Group, LLC as Financial Advisor to the Official Committee of Unsecured Creditors Nunc Pro Tunc to March 3, 2011 (the "Application"), filed concurrently herewith.

4. On or about March 1, 2011, R. Todd Neilson, myself, and members of our forensic accounting group/financial advisors ("Group") left our prior employment at LECG, LLC to join BRG.

5. While at LECG, Mr. Neilson, myself, and our Group served as financial advisor to the official committees of unsecured creditors in *In re Society of Jesus, Oregon Province* (Bankr. D. Or., Case No. 09-30938-elpl1) and *In re Catholic Diocese of Wilmington, Inc.* (Bankr. D. Del., Case No. 09-13560 (CSS)). In addition, Mr. Neilson was appointed as the bankruptcy court's expert, pursuant to Federal Rule of Evidence 706, in *In re The Roman Catholic Bishop of San Diego* (Bankr. S.D. Cal., Case No. 07-00939-LA11); our Group at LECG was retained as Mr. Neilson's financial advisors in that case.

6. In June 2010, Mr. Neilson testified as an expert witness at trial on behalf of the official committee of unsecured creditors in *Official Committee of Unsecured Creditors v. Catholic Diocese of Wilmington (In re Catholic Diocese of Wilmington, Inc.)*. I was present during that testimony and assisted in the preparation for Mr. Neilson's trial appearance. The committee prevailed on its claim that more than \$100 million held in trust in the Catholic diocese's investment account was property of the estate. See *Official Committee of Unsecured Creditors v. Catholic Diocese of Wilmington (In re Catholic Diocese of Wilmington, Inc.)*, 432 B.R. 135 (Bankr. Del. 2010).

7. Of the total number of our Group's hours involved in *In re Catholic Diocese of Wilmington, Inc.*, 46% of all hours related to my services. Furthermore, more than 90% of the work billed in that case was performed by members of our Group whose billing rate was the same or lower than my billing rate.

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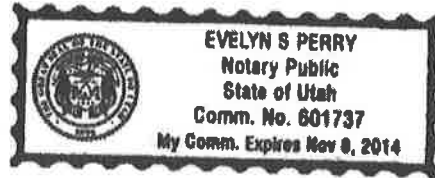
8. Because BRG's involvement in the above-captioned bankruptcy case is at its beginning stage, while I assume that the breakdown of hours in the *In re Catholic Diocese of Wilmington, Inc.*, case will be similar here, I cannot provide a guarantee that such will be the case. However, BRG, and our Group within BRG, is committed to ensuring that work is performed in the most cost-efficient manner possible. Therefore, if the issues and allocation of resources are similar to those in *In re Catholic Diocese of Wilmington, Inc.*, it is well within the range of possibility that a substantial percentage of the hours which BRG bills could be at or below my billing rate of \$370.00.

Dated this 12th day of May, 2011.

Northbrook

Subscribed and sworn to before me
this 12th day of May, 2011.

Evelyn S. Perry
Notary Public, State of Utah
My commission expires: 11-08-2014



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:) Chapter 11
ARCHDIOCESE OF MILWAUKEE,)
Debtor.) Case No. 11-20059-SVK
)
)
)

NOTICE OF FIRST AMENDED APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS PURSUANT TO FED.R.BANKR.P. 2014 FOR ENTRY OF AN ORDER AUTHORIZING AND APPROVING THE EMPLOYMENT OF BERKELEY RESEARCH GROUP, LLC AS FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS NUNC PRO TUNC TO MARCH 3, 2011

TO: Interested Parties:

PLEASE TAKE NOTICE that the Official Committee of Unsecured Creditors (the “Committee”) has filed an application to employ Berkeley Research Group, LLC (“BRG”) as financial advisor to the Committee (the “Application”). A copy of the Application is attached to this Notice.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.)

If you do not want the Court to approve the Application, or if you would like the Court to consider your views on it then, within 14 calendar days of the date of this Notice, you or your attorney must do the following:

James I. Stang (CA Bar No. 94435)
Kenneth H. Brown (CA Bar No. 100396)
Gillian N. Brown (CA Bar No. 205132)
Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Blvd., 11th Floor
Los Angeles, CA 90067
Telephone: (310) 277-6910
Facsimile: (310) 201-0760
E-mail: jstang@pszjlaw.com
kbrown@pszjlaw.com
gbrown@pszjlaw.com

1. File with the Court, via electronic filing or at the address below, a written objection to the Application including a request for hearing:

Clerk, U.S. Bankruptcy Court
Room 126, Federal Courthouse
517 E. Wisconsin Avenue
Milwaukee, WI 53202

2. If you mail your objection to the Court for filing, you must mail it early enough so that the Court will receive it on or before the date stated above.

3. You must also mail a copy of your objection to counsel for the Official Committee for Unsecured Creditors:

James I. Stang, Esq.
Gillian N. Brown, Esq.
Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Boulevard
11th Floor
Los Angeles, CA 90067

If you or your attorney do not take the steps detailed above, the Court may decide that you do not oppose the Application and may enter an order approving it without further notice or hearing.

Dated: May 17, 2011

Respectfully submitted,

PACHULSKI STANG ZIEHL & JONES LLP

By /s/ Gillian N. Brown

James I. Stang (CA Bar No. 94435)
Kenneth H. Brown (CA Bar No. 100396)
Gillian N. Brown (CA Bar No. 205132)
Pachulski Stang Ziehl & Jones LLP
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-and-

Albert Solochek (State Bar No. 1011075)
Jason R. Pilmaier (State Bar No. 1070638)
Howard, Solochek & Weber, S.C.
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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:) Chapter 11
ARCHDIOCESE OF MILWAUKEE,)
Debtor.) Case No. 11-20059-SVK
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)
)

**ORDER GRANTING THE FIRST AMENDED APPLICATION OF THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS PURSUANT TO FED.
R. BANKR. P. 2014 FOR ENTRY OF AN ORDER AUTHORIZING AND
APPROVING THE EMPLOYMENT OF BERKELEY RESEARCH GROUP, LLC
AS FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS NUNC PRO TUNC TO MARCH 3, 2011**

Upon consideration of the *First Amended Application of the Official
Committee of Unsecured Creditors Pursuant to Fed. R. Bankr. P. 2014 for Entry of an*

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Order Authorizing and Approving the Employment of Berkeley Research Group, LLC as Financial Advisor to the Official Committee of Unsecured Creditors Nunc Pro Tunc to March 3, 2011 (the “Application”),¹ filed by the Official Committee of Unsecured Creditors appointed in the above-captioned case (the “Committee”), and upon the *Declaration of Marvin A. Tenenbaum* (the “Tenenbaum Declaration”) in support of the Application; and the Court being satisfied based on the representations made in the Application and in the Tenenbaum Declaration that Berkeley Research Group, LLC (“BRG”) represents no interest adverse to the Debtor’s estate with respect to the matters upon which they are to be engaged, that they are disinterested persons as that term is defined under Section 101(14) of the Bankruptcy Code, as modified by section 1103(b) of the Bankruptcy Code, and that their employment by the Committee is necessary, and after due deliberation and sufficient cause appearing therefore;

IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED.
2. In accordance with sections 328, 504, 1102, and 1103 of the Bankruptcy Code and Bankruptcy Rules 2014 and 2016, the Committee is authorized to employ and retain BRG as its financial advisor *nunc pro tunc* to March 3, 2011, on the terms set forth in the Application and the Tenenbaum Declaration.
3. BRG shall be entitled to allowance of compensation and reimbursement of expenses, upon the filing and approval of interim and final applications pursuant to the Federal Rules of Bankruptcy Procedure, the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Eastern District of Wisconsin, the *Order Granting*

¹ Capitalized terms not otherwise defined herein shall have the meanings set forth in the Application.

Debtor's Motion to Establish Procedures for Interim Compensation and Reimbursement of Expenses of Professionals [Docket No. 158], and such other orders as this Court may direct.

4. BRG's compensation shall be subject to a fee cap in the amount of \$100,000, which cap may be increased by making further application to this Court.

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