

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

JUDGE PETER J. WALSH

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November 5, 2010

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**Re: In re: IH 1, Inc., et al.
Case No. 09-10982 (PJW)**

Dear Counsel:

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This is my ruling with respect to the Sun Indalex Finance, LLC's ("Sun") motion to reconsider the order granting the final fee application of Huron Consulting Services LLC ("Huron") (Doc. # 991). For the reasons summarized below, I will deny the motion.

(1) Sun relies heavily on the June 24, 2010 supplemental affidavit submitted by Mr. Sandeep Gupta, an FTI representative, in which he claims that at a May 20, 2009 meeting with representatives of Huron, he gave them and discussed a spread sheet which contains a line item of \$400,000 for fees to be paid to Huron as the financial advisor to the Committee. Of course, this fact is flat out contradicted in the declarations submitted by five representatives of Huron who were in attendance at that May 20, 2009 meeting. But aside from that challenge, I have a more fundamental issue as to FTI's authority or the Debtors' authority to dictate a budget that binds Huron as the financial advisor to the Committee. Neither the DIP financing motion (Doc. # 75), nor the interim DIP financing order (Doc. # 118), nor the final DIP financing order (Doc. # 223) identify a budget. The order approving Huron's retention was entered on May 12, 2009 (Doc. # 265). That retention order makes no reference whatsoever to a budget. So far as I can tell from the record, neither FTI nor the Debtors had any authority at the May 20, 2009 meeting to dictate a budget to Huron. Of course, I have had numerous cases where the

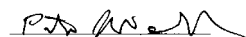
professionals agree to a budget which limits their fees. But those were consensual budgets. I am not aware of anything in the record of this case that suggests that Huron, post retention, was bound to a budget dictated by FTI or the Debtors that limited Huron's allowable fees.

(2) Sun complains that Huron spent an inordinate amount of time investigating and assisting in the development of a draft complaint to avoid transactions between the Debtors and insiders. Huron responds that early on in the case the Committee felt that such an action would be the only source for recoveries for unsecured creditors. It is obvious that the Trustee's filed Complaint significantly mirrors the draft complaint prepared by the Committee. Obviously, the Trustee exercised his independent judgment in filing the Complaint and I find that that filing vindicates the efforts undertaken by Huron in an extensive investigation of the insiders' conduct and the resulting draft complaint.

(3) I note that in this case the Court entered an order appointing a fee examiner. In the examiner's reports (Doc. ## 760, 855 and 898) he discussed what he preliminarily believed to be certain shortcomings (including staffing) in the Huron fee applications. However, Huron responded and the fee examiner accepted the responses. Accordingly, except as to a few minor reductions, the applications were cleared by the fee examiner. I

believe fee examiners reports significantly undercut the position taken by Sun in its motion.

Very truly yours,

A handwritten signature in black ink, appearing to read "Peter J. Walsh", written over a horizontal line.

Peter J. Walsh

PJW:ipm

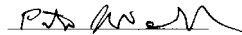
Attachment

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:) Chapter 11
)
IH 1, INC., et al.,)
)
Debtors.) Case No. 09-10982 (PJW)
)
) (Jointly Administered)
)

ORDER

For the reasons set forth in the Court's letter ruling of this date, the motion (Doc. # 991) of Sun Indalex Finance, LLC to reconsider the order granting the final fee application of Huron Consulting Services LLC is **denied**.



Peter J. Walsh
United States Bankruptcy Judge

Dated: November 5, 2010