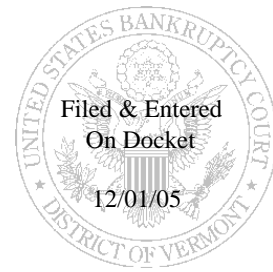


UNITED STATES BANKRUPTCY COURT
DISTRICT OF VERMONT



In re:
FIBERMARK, INC.,
FIBERMARK NORTH AMERICA, INC., and
FIBERMARK INTERNATIONAL HOLDINGS, INC.,
Debtors.

Chapter 11 Case
04-10463
Jointly Administered

ORDER

GRANTING THE JOINT APPLICATION OF HARVEY R. MILLER, AS EXAMINER,
AND WEIL GOTSHAL & MANGES LLP AS ATTORNEYS FOR THE EXAMINER,
AND GRANTING THE EXAMINER'S MOTION TO INCREASE THE COMPENSATION LIMITATION

On October 31, 2005, Harvey R. Miller, in his capacity as court-appointed Examiner (the "Examiner") and Weil Gotshal & Manges, LLP ("WGM" and collectively with the Examiner, the "Applicants"), in its capacity as attorneys for the Examiner filed a Joint Application to (A) allow payment of compensation and reimbursement of expenses for the period from April 25, 2005 through August 31, 2005 (the "Application Period") and (B) increase of the compensation limitation in the order of June 2, 2005 (doc. # 1993) (the "Joint Application"). The Joint Application seeks Court approval of professional fees for the Examiner in the amount of \$218,400 and reimbursement of his expenses totaling \$137.42 along with professional fees for WGM in the amount of \$1,441,514.25 and reimbursement of WGM's expenses totaling \$146,635.38.

On April 19, 2005, the Court entered an order directing the appointment of an examiner and specifying the examiner's duties pursuant to §1104(c) and §1106(b) of the Bankruptcy Code (doc. # 1422) (the "Examiner Order").¹ Pursuant to the Examiner Order, the examiner was to conduct an investigation and prepare a report to be filed with the Court by June 8, 2005, detailing his findings and setting forth recommendations to the Court based upon those findings. The Court established a compensation limitation of \$200,000 at that time and authorized the examiner to retain counsel. On April 22, 2005, the Court approved the appointment of Harvey R. Miller as examiner (doc. # 1427). On May 9, 2005, the Court approved the Examiner's motion to retain WGM. On June 2, 2005, the Court granted the Examiner's motion to extend the timetable for the Examiner's investigation, report and recommendations, and increased the limitation on the Examiner's compensation from \$200,000 to \$650,000.

On September 23, 2005, the Debtors filed a Fourth Proposed Amended Joint Plan of Reorganization (doc. # 1904) (the "Plan"). The Plan sets forth a settlement by and among the Debtors,

¹ Unless otherwise indicated, all statutory references herein are to the United States Bankruptcy Code as in effect prior to October 17, 2005, since the instant case was filed prior to the effective date of the Bankruptcy Abuse Prevention and Consumer Protection Act.

AIG Global Investment Corp. (“AIG”), Post Advisory Group (“Post”), and Silver Point Capital Partners, L.L.C. (“Silver Point”) to resolve potential litigation stemming from the Examiner’s Report, and in particular from the Examiner’s conclusions and recommendations. The proposed settlement provides, *inter alia*, that Silver Point, AIG and Post will each either (a) pay one third of actual, reasonable and allowed fees and expenses of the Examiner and WGM directly, or (b) reimburse the Debtors for one third of the allowed fees and expenses of the Examiner and WGM, if the Debtors pay the Examiner and WGM their allowed fees and expenses prior to the “Effective Date,” as that term is defined in the Plan (doc. # 1904 at p. 23). The Plan projects that the collective fees of the Examiner and WGM shall not exceed \$1,750,000.00 (Id.).

Neither Silver Point, nor AIG nor Post has filed an objection to the Joint Application.

On November 22, 2005, the United States Trustee filed a response to the Joint Application (doc. # 2035) (the “Response”). The Response states that the United States Trustee and WGM have reached an agreement whereby WGM shall reduce its request for professional fees to \$1,409,827.37 and reduce its request for expenses to \$121,635.38, so that the total cost of the Examiner does not exceed the \$1,750,000 figure set forth in the Plan.

THE COURT FINDS that based upon the Examiner’s credentials and experience, as well as the complexity, severe time constraints and sensitive issues presented to the Examiner in this case, the hourly rate the Examiner is charging in this case is reasonable. THE COURT FURTHER FINDS that based upon the Examiner’s responsibilities under the Examiner Order, the gargantuan volume of documents the Examiner needed to review within a fairly narrow window of time; the amount of effort required to produce the Examiner’s very extensive and carefully documented report; the sophistication of the analysis, conclusions and recommendations in the report; and the fact that this assignment appears to have absorbed all of Mr. Miller’s time and made it difficult or impossible for him to render professional services to other clients during the period of his service as Examiner; the number of hours spent and the total fee sought are also reasonable. Accordingly, the Examiner’s fees are allowed in full.

THE COURT FURTHER FINDS that the expenses for which the Examiner seeks reimbursement are reasonable and necessary. Accordingly, the Examiner’s requested expenses are approved and allowed in full.

THE COURT FURTHER FINDS that the professional services rendered by WGM were necessary and appropriate to the Examiner’s effective discharge of his responsibilities under the Examiner Order. The professional services rendered by WGM appear to have been essential to the Examiner, and in the best interests of the Debtors and other parties in interest. THE COURT FURTHER FINDS the professionals’ fees sought by WGM for services rendered during the Application Period, in the amount of \$1,409,827.37(pursuant to the agreement described in the Response), are fully and properly compensable.

The Court specifically finds that the services rendered by WGM were reasonable, necessary and of benefit to the estate, pursuant to 11 U.S.C. § 330(a). See also In re JLM, Inc., 210 B.R. 19, 24 (2d Cir. BAP 1997). Accordingly, the professionals' fees sought in connection with services rendered by WGM during the Application Period are approved and allowed to the extent of \$1,409,827.37.²

THE COURT FURTHER FINDS that the \$121,635.38 in expenses for which WGM seeks reimbursement during the Application Period (pursuant to the agreement described in the Response) is reasonable and appropriate. Accordingly, the Court grants the application for reimbursement of these expenses.

THEREFORE, IT IS HEREBY ORDERED that

1. The Joint Application of Harvey R. Miller, as Examiner, and Weil Gotshal & Manges LLP as Attorneys for the Examiner (doc. # 1993) is GRANTED, in the amounts set forth in the Response of the United States Trustee (which contains a voluntary reduction by Weil Gotshal & Manges, LLP).
2. The Applicants' motion to increase the Court's previous compensation limitation is GRANTED.
3. The following fees and expenses requested in the Joint Application are APPROVED and allowed:
 - (A) \$218,400 to Harvey R. Miller for professional services rendered;
 - (B) \$137.25 to Harvey R. Miller for reimbursement of his expenses;
 - (C) \$1,409,827.37 to Weil Gotshal & Manges, LLP professional services rendered; and
 - (D) \$121,635.38 to Weil Gotshal & Manges, LLP for reimbursement of its expenses.
4. The Debtors are hereby authorized to pay (to the extent not previously paid):
 - (A) \$218,400 to Harvey R. Miller for professional fees;
 - (B) \$137.25 to Harvey R. Miller for expenses incurred;
 - (C) \$1,409,827.37 to Weil Gotshal & Manges, LLP for professional fees; and
 - (D) \$121,635.38 to Weil Gotshal & Manges, LLP's for expenses incurred.
5. This Order constitutes the final award of fees and approval of expenses for the Examiner and his professionals.

SO ORDERED.

December 1, 2005
Rutland, Vermont



Colleen A. Brown
United States Bankruptcy Judge

² The Court recognizes that certain of the paraprofessional fees sought by WGM might appear to non-compensable based the holdings set forth in S.T.N. Enterprises and/or previous decisions in this case. However, the explanation and detail provided by WGM, coupled with the unique nature and circumstances of the Examiner's responsibilities in this case, persuade the Court that is proper and consistent with the Bankruptcy Code to allow compensation for those services in this instance.