UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF WEST VIRGINIA

In re	)	**Chapter 11**
	)	
FREEDOM INDUSTRIES, INC.	)	
	)	**Case No. 2:14-bk-20017**
	)	
Debtor.	)	
	)	

APPLICATION TO EMPLOY AND RETAIN CIVIL & ENVIRONMENTAL CONSULTANTS, INC. AS SPECIAL ENVIRONMENTAL CONSULTANT FOR THE DEBTOR PURSUANT TO 11 U.S.C. § 327(a) EFFECTIVE AS OF THE PETITION DATE

The debtor and debtor-in-possession in the above captioned case ("Freedom" or the "Debtor"), hereby applies (the "Application") for entry of an order in the form attached hereto, under section 327(a) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, the "Bankruptcy Code"), authorizing the employment and retention of Civil & Environmental Consultants, Inc. ("CEC" or the "Firm") as a special environmental consultant for the Debtor as of the Petition Date (as defined below). In support of this Application, the Debtor relies on the Declaration of Harry J. Soose Jr. (the "Soose Declaration"), a copy of which is attached hereto as Exhibit A. In further support of this Application, the Debtor respectfully represents as follows:

A. JURISDICTION AND VENUE

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of this case and this Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are sections 327(a) and 330 of the Bankruptcy Code, Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the

"Bankruptcy Rules"), and Rules 2014-1 and 2016-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of West Virginia (the "Local Rules").

B. BACKGROUND

(i) The Bankruptcy Case

3. On January 17, 2014 (the "Petition Date"), the Debtor filed a voluntary petition in this Court for relief under chapter 11 of the Bankruptcy Code.

4. The Debtor continues to operate its business as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

5. No trustee or examiner has been appointed in this chapter 11 case and no committee has been appointed or designated.

(ii) The Debtor

6. Freedom is engaged principally in the business of producing specialty chemicals for the mining, steel and cement industries. It is a leading supplier of freeze conditioning agents, dust control palliatives, flotation reagents, water treatment polymers and other specialty chemicals.

7. Freedom, whose corporate office is located in Charleston, West Virginia, operates two production facilities located in (a) Nitro, West Virginia (the "Nitro Facility") and (b) Charleston, West Virginia (the "Charleston Facility").

8. On or about January 9, 2014, an incident occurred involving one of Freedom's storage tanks located at the Charleston Facility (the "Incident"). Facts surrounding the Incident are subject to pending investigations by Freedom and various regulatory and other governmental authorities.[1]

[1] The facts and circumstances relating to the Incident as described herein are intended for explanatory purposes only and shall not prejudice the rights, claims or defenses of any party in interest, including, without limitation, the rights

9. Accordingly, Freedom, in an exercise of its reasoned business judgment, determined that the most efficient and equitable way of addressing vendor and liquidity issues as well as the multitude of claims that have been or may be asserted against the Debtor was to seek protection under chapter 11 of the Bankruptcy Code.

C. RETENTION OF CEC

22. By this Application, the Debtor seeks entry of an order pursuant to sections 327(a) and 330 of the Bankruptcy Code authorizing the Debtor to employ and retain CEC as a special environmental consultant to assist in matters in connection with addressing the Incident.

23. The Debtor seeks to retain CEC because of the Firm's ability to provide civil engineering, geotechnical engineering, water treatment evaluations, and environmental consulting services and to support the planning, investigation, project coordination, and mitigation related to the Incident. More specifically, CEC will be responsible for the investigation of soil, groundwater, and surface water impacts resulting from the incident as well as the development of measures to mitigate those impacts. Ultimately the goal will be to remediate the site to a point where the Freedom facility represents no unacceptable risks to human health and the environment. Based on CEC's experience, the Debtor submits that CEC is both well-qualified and uniquely able to represent it in this case in an efficient and timely manner.

24. Subject to Court approval under section 330(a) of the Bankruptcy Code, compensation will be payable to CEC on an hourly basis, plus reimbursement of actual, necessary expenses and other charges incurred by CEC. The hourly rates charged by CEC are consistent with the rates charged in comparable non-bankruptcy matters and are subject to

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of any purported holder of a claim arising from or related to the Incident, and correspondingly, all rights, claims and defenses of the Debtor and other parties in interest are preserved.

periodic adjustments to reflect economic and other conditions. CEC is not seeking approval of its hourly rates at this time, as its compensation is subject to approval at a later date.

25. CEC's hourly rates vary with the experience and seniority of the individuals assigned and may be adjusted by CEC from time to time. CEC's current customary hourly rates for the individuals expected to participate in these cases range from $75 to $195. It is CEC's policy to charge its clients for certain expenses incurred in connection with a client's case. The expenses routinely charged to clients include, among other things, transportation and living expenses incurred for assignments outside the area, fees for field survey equipment usage, CADD fees, shipping charges for soil and rock samples, fees for laboratory services, photocopying, long distance telephone calls, postage, express mail and messenger charges, and other items directly identifiable to the project. CEC will charge the Debtor for these expenses in a manner and at rates consistent with charges made generally to its other clients.

26. CEC understands that the Debtor has retained other professionals during the term of the engagement and agrees to work cooperatively with such professionals to integrate any respective work conducted by the professionals on behalf of the Debtor. CEC has assured the Debtor that it will work closely with its professionals and will avoid duplication of services being provided by other professionals.

27. Except as set forth in the Soose Declaration, to the best of the Debtor's knowledge, CEC: (a) does not have any connection with the Debtor, its affiliates, its creditors, the United States Trustee, any person employed in the Office of the United States Trustee, or any other party in interest, or its respective attorneys and accountants; (b) is a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code; and (c) does not hold or represent any interest adverse to the Debtor's estate.

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28. CEC intends to apply to the Court for allowance of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, orders of this Court, and the Fee Guidelines promulgated by the Executive Office of the United States Trustee (the "Fee Guidelines"). All professionals who will be rendering services on behalf of the Debtor will maintain billing records setting forth complete and detailed activity descriptions, including a time allotment billed in increments of one-tenth of an hour. Each activity will include a description of the type and subject matter of the activity undertaken.

29. The Debtor, subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules of the United States Bankruptcy Court for the Southern District of West Virginia (the "Local Rules"), orders of this Court, and the Fee Guidelines, proposes to pay CEC its customary hourly rates in effect from time to time as set forth in the Soose Declaration and submits that such rates are reasonable.

30. No previous request for the relief sought herein has been made to this Court or any other court.

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WHEREFORE, the Debtor respectfully requests that this Court enter an order, substantially in the form attached hereto, authorizing the Debtor's retention of CEC upon the terms set forth in this Application, and granting such other and further relief as is just and proper.

Dated: February 14, 2014

RESPECTFULLY SUBMITTED,

FREEDOM INDUSTRIES, INC.

GARY SOUTHERN
PRESIDENT
FREEDOM INDUSTRIES, INC.

Dated: February 14, 2014

Respectfully submitted,

BARTH & THOMPSON

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