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Attorneys for the Debtors and
Debtors-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re Case No. BK-N-01-31627
(Chapter 11)

WASHINGTON GROUP
INTERNATIONAL, INC., et al.,

Debtors.

ORDER UNDER 11 U.S.C.
§ 327(a) AND FED. R.
BANKR. P. 2014(a)
AUTHORIZING EMPLOYMENT
AND RETENTION OF
DELOITTE & TOUCHE LLP
AS LITIGATION SUPPORT
CONSULTANTS NUNC PRO TUNC

Hearing Date: ~~May 14, 2001~~ June 13, 2001
Hearing Time: ~~1:00 p.m.~~ 9:30 a.m.

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U.S. BANKRUPTCY COURT
PATRICIA GRAY, CLERK

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This matter having coming before the Court on the application, dated May 13, 2001 (the "Application"),¹ of Washington Group International, Inc. ("WGI") and certain of its direct and indirect subsidiaries, debtors and debtors-in-possession (collectively, the "Debtors") for an order under 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014(a) authorizing the employment and retention of Deloitte & Touche LLP ("D&T") as litigation support consultants to the Debtors; and upon the Affidavit of Francis A. Piantidosi; and the Court being satisfied with the representations made in the Application and affidavit that D&T represents no interest adverse to the estates, that it is a "disinterested person" as that term is defined under section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, that its employment is necessary and in the best interests of the Debtors' estates, creditors and other parties-in-interest; and it appearing that notice of the Application was good and sufficient under the particular circumstances and that no other or further notice need be given; and upon the record herein, and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Application be, and it hereby is, GRANTED.

¹ Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Application.

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3 2. Pursuant to section 327(a) of the Bankruptcy Code, the
4 Debtors be, and they hereby are, authorized to employ and retain
5 D&T as their litigation support consultants as of the Petition
6 Date, to perform the services set forth in the Application and
7 Engagement Letter dated July 10, 2001, a copy of which is
8 attached hereto to this Order.

9 3. D&T shall be compensated in accordance with the terms
10 of the Engagement Letter, subject to the procedures set forth in
11 the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure,
12 and the orders of this court.

13 4. Notwithstanding the approval of the Engagement Letter,
14 all of D&T's fees and expenses in these cases shall be subject to
15 approval of the Court under a "reasonableness" standard upon
16 proper application by D&T in accordance with the applicable
17 provisions of the Bankruptcy Code, the Bankruptcy Rules, the
18 Local Rules of this Court and any other applicable orders of this
19 Court, with the express reservation of rights of all parties in
20 interest; provided, however, that the approval of the
21 reasonableness of D&T's fees and expenses shall not be evaluated
22 solely on hourly based criteria.

23 5. The indemnification provisions of the Engagement Letter
24 are approved, subject to the following:

25 (a) subject to the provisions of subparagraph (d)
26 infra, the Debtors are authorized to indemnify, and
27 shall indemnify, D&T, in accordance with the Engagement
28 Letter for any claim arising from, related to, or in
connection with D&T's prepetition performance of the
services described in the Engagement Letter;

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(b) subject to the provisions of subparagraph (d) infra, the Debtors are authorized to indemnify, and shall indemnify D&T, in accordance with the Engagement Letter for any claim arising from, related to, or in connection with the litigation support services, but not for any claim arising from, related to, or in connection with D&T's postpetition performance of any services other than the litigation support services outlined in its Engagement Letter unless such postpetition services and indemnification therefor are approved by the Court;

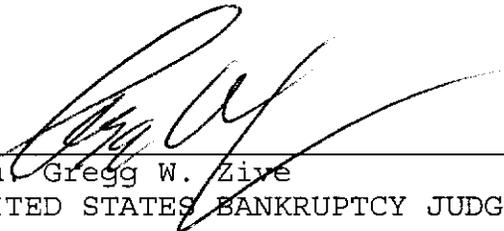
(c) notwithstanding any provision of the Engagement Letter to the contrary, the Debtors shall have no obligation to indemnify D&T, or provide contribution or reimbursement to D&T, for any claim or expense that is either (a) judicially determined (the determination having become final) to have arisen solely from D&T's gross negligence or willful misconduct, or (b) settled prior to a judicial determination as to D&T's gross negligence or willful misconduct, but determined by this Court, after notice and a hearing, to be a claim or expense for which D&T should not receive indemnity, contribution or reimbursement under the terms of the Engagement Letter as modified by this Order; and

(d) if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, D&T believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Engagement Letter (as modified by this Order), including without limitation the advancement of defense costs, D&T must file an application therefor in this Court, on notice, and the Debtors may not pay any such amounts to D&T before the entry of an order by this Court approving the payment, after notice and a hearing and a review for reasonableness under Bankruptcy Code section 330. This subparagraph (d) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by D&T for indemnification, contribution or reimbursement and not a provision limiting the duration of the Debtors' obligation to indemnify D&T.

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6. This Court will retain jurisdiction to construe and enforce the terms of the Application, the Engagement Letter, and this Order.

Dated: Reno, Nevada
July 12, 2001


Hon. Gregg W. Zive
UNITED STATES BANKRUPTCY JUDGE

APPROVED/DISAPPROVED

see attached for signature
Nicholas Strozza, Esq.
Office of the United States Trustee

Jul-11-01 09:58am From=LIONEL SAWYER & COLLINS

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Dated: Reno, Nevada
July __, 2001

Hon. Gregg W. Zive
UNITED STATES BANKRUPTCY JUDGE

APPROVED/DISAPPROVED

Nicholas Strozza
Nicholas Strozza, Esq.
Office of the United States Trustee

07/10/2001 15:23 FAX 1212438646

DELOITTE & TOUCHE

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Deloitte & Touche LLP
Two World Financial Center
New York, New York 10281-1414

Tel (212) 436-2000
Fax (212) 436-5000
www.us.deloitte.com

**Deloitte
& Touche**

July 10, 2001

Adrian Wager-Zito, Esq.
Jones, Day, Reavis & Pogue
51 Louisiana Avenue, N.W.
Washington, D.C. 20001-2113

Re: Washington Group International, Inc. Purchase Price Dispute and Related Matters

Dear Adrian:

UNDERSTANDING OF ROLE

By letter dated November 8, 2000, Jones, Day, Reavis & Pogue (the "Firm") and Deloitte & Touche LLP ("D&T") entered into an agreement pursuant to which D&T was engaged as a non-testifying consultant, effective as of November 6, 2000, to provide services to the Firm in connection with the Firm's representation of Washington Group International, Inc. (the "Company") in the above-entitled dispute and related matters.

On May 14, 2001 (the "Petition Date"), the Company filed in the United States Bankruptcy Court for the District of Nevada a Petition for Reorganization under Chapter 11 of the Federal Bankruptcy Code (the "Chapter 11 Petition"). As a result, the Company is now operating as a Debtor-in-Possession ("DIP"). The Firm has agreed to continue to provide its services to the Company as DIP and, in turn, has requested that D&T continue to provide the Firm and the Company as DIP with its services in connection with the above-entitled dispute and related matters. Further, the Firm desires to engage D&T personnel to testify as an expert witness in conjunction with the matters for which it is engaged. D&T accepts the engagement effective as of the Petition Date and agrees pursuant to this letter agreement to continue to provide its services to the Firm and to the Company as DIP during the pendency of the Chapter 11 bankruptcy proceeding so long as the Company as DIP remains the owner of the claim that is the subject of this engagement.

As a result of the Chapter 11 Petition and the pending bankruptcy proceedings, a new agreement between the Firm and D&T is required to cover D&T's services to the Firm and to the Company as DIP (the "DIP Engagement"). We acknowledge that the terms and provisions of the DIP Engagement as set forth in this letter agreement are subject to the approval of the Bankruptcy Court.

We understand that it is the Firm's intention and the position of the Firm that our work for it will be covered by the attorney work-product privilege and other applicable privileges. Accordingly, it is agreed that all working papers and other documents prepared or received by us pursuant to this engagement will be maintained by us as confidential material in accordance with the terms hereof and we agree that we will not disclose our work or work product hereunder to third parties without the Firm's consent, except as may be

Deloitte
Touche
Tohmatsu

Adrian Wagar-Zito, Esq.
Jones, Day, Reavis & Pogue
July 10, 2001
Page 2

required by law, regulation, or judicial or administrative process, or in accordance with applicable professional standards, or in connection with litigation arising hereunder.

D&T is prepared to provide assistance in reading the financial information and other data relevant to the above-entitled dispute and related matters in order to assist the Firm in its evaluation of the effect, if any, of certain events that occurred in connection with the matters within the scope of our engagement and of the potential damages, if any, and to testify as an expert witness with respect to such matters. The specific procedures to be performed by D&T will be established based on discussions with you as the engagement progresses and additional information is obtained during the course of the engagement. (It is our understanding that our services will include, for purposes of gathering information, access to the work of other public accountants or to financial statements or financial information reported on by other public accountants. You agree, however, that access is not for the purpose of affirming or evaluating the auditing procedures or professional standards used by such other public accountants.) D&T is also prepared to consider providing mutually agreeable assistance in any other areas that may be identified during the course of this engagement as may be requested by the Firm or the Company as DIP, and as may be agreed to by D&T, consistent with the terms of any retention application as may be approved by the Bankruptcy Court; such other services, if any, shall also be subject to the terms and condition of this engagement letter.

The Firm agrees that it will advise D&T in a timely manner of the applicable legal requirements concerning the services to be provided by D&T, including, without limitation, the identification of any reports to be provided by D&T and the filing deadlines for such reports. D&T does not, in advance of obtaining sufficient relevant information and completing its analyses, provide any assurance that it will be able to support any position. The Firm and the Company as DIP each agree that any written reports, schedules, other materials, or documents prepared or provided by D&T are to be used only for the purpose of the above-entitled dispute and related matters and will not be disclosed, published, or used, in whole or in part, by the Firm or the Company as DIP for any other purpose without D&T's prior written permission.

CONFLICTS

An internal search within D&T was performed for any potential client conflicts based upon the names of the parties that you have provided. No client conflicts within D&T were found with respect to any of the parties to the matter whose names you provided. The Firm agrees that it will inform D&T of additional parties to this matter or of name changes for those parties whose names were provided by the Firm.

As you know, D&T is a large firm and we are engaged by new clients every day. Therefore, we cannot assure that, following the completion of our internal conflict search, an engagement for the involved parties will not be accepted by D&T. Should any potential conflict come to the attention of our Engagement Partner, he will advise you promptly.

We note that as a result of the Company's Chapter 11 Petition, D&T may file materials with the Bankruptcy Court disclosing relationships, if any, that it may have with parties-in-interest in the bankruptcy case.

ENGAGEMENT STAFFING AND FEES

I will participate as Engagement Partner, maintaining overall responsibility for the engagement on behalf of D&T. Ed Westerman, Partner, will coordinate daily management of the engagement. Technical support may also be provided by other professionals who will be identified during the course of the engagement.

Adrian Wager-Zito, Esq.
 Jones, Day, Reavis & Pogue
 July 10, 2001
 Page 3

We bill on a time and expense basis, with our fees determined by the tasks required and the related time spent. We endeavor to use the least expensive staff appropriate for a particular task. Obviously, schedule preparation and other activities related to the preparation of accounting information may often be done by our more junior staff members; more experienced people may be needed, however, for certain activities requiring more extensive experience.

Our billing rates are as follows:

Partners	\$325 - \$650
Senior Managers	\$285 - \$510
Managers	\$255 - \$445
Senior Consultants	\$210 - \$335
Staff Consultants	\$170 - \$230

Our hourly rates are adjusted from time to time; we will advise you promptly if a rate adjustment is being made by D&T. In addition to professional fees, our bills will include out-of-pocket expenses, such as charges for secretarial services, telephone, computer usage, travel, messengers, and photocopying. Our fees and expenses are not contingent upon the final resolution of the above-captioned matter. We intend to meet with you regularly to discuss our ongoing work and associated fee estimates.

Invoices will be presented directly to the Company as DIP for payment and are due upon presentation. Invoices upon which payment is not received within 30 days of the invoice date shall accrue a late charge of the lower of 1-1/2% per month or the highest rate allowable by law, in each case compounded monthly to the extent allowable by law. In addition to all other rights and remedies, we reserve the right to halt, or to terminate entirely, the provision of further services until payment is received on past-due invoices. It is our normal practice that we be paid in full for all work performed to date prior to our testimony. We understand that the payment of our fees hereunder, as well as the engagement services provided hereunder, will be subject to the oversight of the Bankruptcy Court and such Order(s) as the Court may issue regarding the methods and timing of payments to professionals by the Company as DIP.

In addition, we will be compensated for any time and expenses (including, without limitation, reasonable legal fees and expenses) that we may incur in considering or responding to discovery requests or other requests for documents or information, or in participating as a witness or otherwise in any legal, regulatory, or other proceedings, including, without limitation, those other than the instant matter, as a result of D&T's performance of these services.

The Company paid D&T a retainer of \$1 million prior to the date of the Company's Chapter 11 Petition, and D&T has continued to hold the retainer as security for its fees and disbursements during the bankruptcy proceedings. Prior to the filing of the Chapter 11 Petition, the Company paid D&T weekly for the cost of services on the prior week's actual billings. D&T will request the Bankruptcy Court to allow the prepetition retainer to be maintained by it as a postpetition retainer to be applied to (i) any prepetition fees and costs incurred but not paid by the Company and (ii) any postpetition fees and costs allowed by the Bankruptcy Court pursuant to the fee application and approval process set forth in the Bankruptcy Code, and any administrative orders approved by the Bankruptcy Court. If, at the conclusion of the bankruptcy case, D&T's fees and expenses are ultimately approved in an aggregate amount less than the amount of the unapplied retainer, D&T will return any remaining portion of the retainer to the Company as DIP.

Adrian Wager-Zito, Esq.
Jones, Day, Reavis & Pogue
July 10, 2001
Page 4

INDEMNIFICATION

The Company as DIP shall indemnify and hold harmless D&T, its partners, principals, and employees from and against any and all actions, losses, damages, claims, liabilities, costs, and expenses (including, without limitation, reasonable legal fees and expenses) brought against, paid, or incurred by any of them at any time, in any way arising out of or relating to D&T's services provided in connection with this engagement, except to the extent finally judicially determined to have resulted from the intentional misconduct of D&T.

The Indemnification provisions of this engagement letter shall apply regardless of the form of action, loss, damage, claim, liability, cost, or expense, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. These provisions, as well as the other agreements and undertakings of Jones, Day, Reavis & Pogue and the Company as DIP, shall survive the completion or termination of this engagement.

* * * * *

This engagement letter constitutes the entire agreement among the parties with respect to the DIP Engagement and supersedes all prior agreements and understandings among the parties, whether written or oral, with respect to the DIP Engagement.

If the foregoing represents your agreement and has the concurrence of your client, please sign and have your client sign the enclosed copy of this letter in the space provided and return it to Ed Westerman. We understand that the Company's bankruptcy counsel will make the necessary arrangement for the submission of this engagement letter to the Bankruptcy Court for its approval. We appreciate the opportunity to continue to work for you and look forward to your prompt response.

Very truly yours,

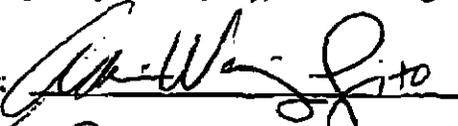
DELOITTE & TOUCHE LLP

By: 

Francis A. Piantadosi

Enclosure
cc: Ed Westerman

Accepted by: Jones, Day, Reavis & Pogue

By: 
Title: Partner
Date: July 10, 2001

Accepted by: Washington Group International, Inc.
as Debtor-in-Possession

By: _____
Title: _____
Date: _____