

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
: In re: Chapter 11
: :
: JACKSON HEWITT TAX SERVICE : Case No. 11-11587 (MFW)
: INC., et al., : :
: :
: Debtors.¹ : Jointly Administered
-----X

**DEBTORS' APPLICATION FOR ORDER UNDER
11 U.S.C. §§ 327(a) AND 329, FED. R. BANKR. P. 2014 AND 2016, AND
DEL. BANKR. L.R. 2014-1 AND 2016-1 AUTHORIZING EMPLOYMENT AND
RETENTION OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP AND
AFFILIATES AS BANKRUPTCY COUNSEL *NUNC PRO TUNC*
TO THE PETITION DATE**

The debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), hereby apply (the "Application") for entry of an order, under sections 327(a) and 329 of title 11 of the United States Code (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 Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), authorizing the employment and retention of Skadden, Arps, Slate, Meagher & Flom LLP and its affiliated law practice entities (collectively, "Skadden, Arps" or the "Firm"), *nunc pro tunc* to the Petition Date (as defined herein), under a general retainer as the Debtors' bankruptcy, corporate and litigation counsel. In

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Jackson Hewitt Tax Service Inc. (9692), Jackson Hewitt Inc. (9705), Jackson Hewitt Technology Services LLC (2409), Tax Services of America, Inc. (7427), Jackson Hewitt Corporate Services Inc. (2415), and Hewfant Inc. (0545). The address for each of the Debtors, with the exception of Jackson Hewitt Technology Services LLC, is 3 Sylvan Way, Parsippany, NJ 07054. The address for Jackson Hewitt Technology Services LLC is 501 N. Cattlemen Rd., Sarasota, FL 34232.

support of the Application, the Debtors rely upon and incorporate by reference (i) the Declaration of Daniel P. O'Brien, Chief Financial Officer of Jackson Hewitt Tax Service Inc., in Support of Chapter 11 Petitions and First Day Pleadings (the "O'Brien Declaration"), filed with the Court concurrently herewith and (ii) the Declaration of Mark A. McDermott in Support of Debtors' Application for Order Under 11 U.S.C. §§ 327(a) and 329, Fed. R. Bankr. P. 2014 and 2016, and Del. Bankr. L.R. 2014-1 and 2016-1 Authorizing Employment and Retention of Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates as Bankruptcy Counsel *Nunc Pro Tunc* to the Petition Date (the "McDermott Declaration"), attached hereto as Exhibit A. In further support of the Application, the Debtors respectfully represent:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Application under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Application in this district is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory and legal predicates for the relief requested herein are Bankruptcy Code sections 327(a) and 329, Bankruptcy Rules 2014 and 2016 and Local Rules 2014-1 and 2016-1.

BACKGROUND

3. On the date hereof ("Petition Date"), the Debtors filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code. The factual background regarding the Debtors, including their business operations, their capital and debt structure, and the events leading to the filing of these bankruptcy cases, is set forth

in detail in the O'Brien Declaration. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.

RELIEF REQUESTED

4. By this Application, the Debtors request entry of an order pursuant to Bankruptcy Code sections 327(a) and 329 authorizing them to employ and retain Skadden, Arps, *nunc pro tunc* to the Petition Date, in accordance with the provisions of the Engagement Agreement and the Engagement Agreement Supplement (each defined below), this Application, and the proposed order submitted herewith, as the Debtors' bankruptcy, corporate and litigation counsel under a general retainer to perform the legal services that will be necessary during these cases, as is more fully described herein.

BASIS FOR RELIEF

5. Prior to 2004, Skadden, Arps represented Cendant Corporation ("Cendant"), now known as Avis Budget Group, Inc., and various Cendant entities, including Jackson Hewitt Tax Service Inc. ("Jackson Hewitt" or the "Company"). Skadden, Arps began representing the Debtors in March 2004, in connection with Cendant's divestiture of 100% of its ownership interest in Jackson Hewitt in an underwritten public offering. Skadden, Arps and the Debtors formalized the representation pursuant to an engagement agreement dated March 11, 2004, a copy of which is attached to the McDermott Declaration as Exhibit A (the "Engagement Agreement"). Since Jackson Hewitt's initial public offering, Skadden, Arps has represented the Company on various corporate, tax and litigation matters.

6. As a result of this relationship, the Company approached Skadden, Arps regarding representing it in connection with its restructuring efforts in early 2010.

The engagement was formalized in a letter from Skadden, Arps to Jackson Hewitt dated as of February 16, 2010 (the "Engagement Agreement Supplement"). A copy of the Engagement Agreement Supplement is attached to the McDermott Declaration as Exhibit B. Pursuant to the Engagement Agreement Supplement, the Debtors expanded the scope of Skadden, Arps' retention to provide legal advice to the Debtors in connection with their efforts to respond to their financial circumstances, including a restructuring of their financial affairs and capital structure, and, as necessary, preparation of documents related to, and representation in, any reorganization cases filed under chapter 11 of the Bankruptcy Code and other related matters.

7. Since entering into the Engagement Agreement Supplement, the Company and Skadden, Arps have worked closely with respect to the Company's restructuring efforts. In doing so, and as a consequence of the Firm's longstanding relationship with the Company, Skadden, Arps has become uniquely familiar with the Debtors' capital structure; the terms of the Debtors' debt; the operation of the Debtors' businesses; the terms of the prepackaged plan of reorganization and related disclosure statement; and many of the potential legal issues that might arise in the context of these cases. Skadden, Arps has provided advice and assisted the Company in all aspects of its restructuring efforts and the preparation of these cases, including negotiating and drafting the various first-day motions and the prepackaged plan of reorganization and related disclosure statement, and other documents and pleadings necessary for the successful prosecution of these prepackaged chapter 11 cases.

8. The Debtors selected Skadden, Arps as their restructuring counsel because of the Firm's prior representation of the Debtors and because of the Firm's

experience and knowledge in the field of debtors' and creditors' rights and business reorganizations under chapter 11 of the Bankruptcy Code. The Debtors believe that representation by Skadden, Arps as their restructuring and bankruptcy counsel is critical to the Debtors' efforts to restructure their businesses.

9. The Debtors desire to employ Skadden, Arps under a general retainer because of, among other reasons, the nature of the legal services that will be required in connection with these cases and the Firm's familiarity with the businesses of the Debtors and their subsidiaries. As noted above, the Debtors believe that Skadden, Arps is well qualified and uniquely able to act on the Debtors' behalf in these cases. Further, to engage alternative counsel at this stage of the Debtors' restructuring would be tremendously disruptive and derail the Debtors' possibility of emergence on the quick timetable necessary for a successful reorganization.

10. Additional information regarding Skadden, Arps' qualifications is more fully set forth in the McDermott Declaration.

SERVICES TO BE RENDERED

11. The services of legal counsel are necessary to enable the Debtors to execute faithfully their duties as debtors in possession. Subject to further order of this Court, Skadden, Arps will be required to render various services to the Debtors including (without limitation) the following:

- (a) advising the Debtors with respect to their powers and duties as debtors and debtors in possession in the continued management and operation of their businesses and properties;
- (b) attending meetings and negotiating with representatives of creditors and other parties in interest, and advising and consulting on the conduct of the cases, including all of the legal and administrative requirements of operating in chapter 11;

- (c) taking all necessary action to protect and preserve the Debtors' estates, including the prosecution of actions on their behalf, the defense of any actions commenced against those estates, negotiations concerning litigation in which the Debtors may be involved, and objections to claims filed against the estates;
- (d) preparing, on behalf of the Debtors, motions, applications, answers, orders, reports, and papers necessary to the administration of the estates;
- (e) preparing and negotiating on the Debtors' behalf plan(s) of reorganization, disclosure statement(s), and all related agreements and/or documents, and taking any necessary action on behalf of the Debtors to obtain confirmation of such plan(s);
- (f) advising the Debtors in connection with any sale of assets;
- (g) performing other necessary legal services and providing other necessary legal advice to the Debtors in connection with these chapter 11 cases; and
- (h) appearing before this Court, any appellate courts, and the United States Trustee and protecting the interests of the Debtors' estates before such courts and the United States Trustee.

12. It is necessary and essential that the Debtors, as debtors in possession, employ attorneys to render the foregoing professional services. Therefore, the Debtors have requested that Skadden, Arps perform the services set forth herein and, subject to this Court's approval of this Application, Skadden, Arps has indicated that it is willing to perform such services.

13. The Debtors have informed Skadden, Arps and Skadden, Arps understands that the Debtors are planning on filing retention applications for other professionals in these cases. Skadden, Arps has informed the Debtors that it will take all appropriate steps to avoid unnecessary and wasteful duplication of efforts by any other professionals retained in these cases. In particular, the Debtors have informed Skadden, Arps that the Debtors also retained Moelis & Company LLC to serve as investment

bankers, Alvarez & Marsal North America, LLC to serve as financial advisors, Deloitte & Touche to serve as tax advisors and Kekst & Company to serve as communications advisors.

DISINTERESTEDNESS OF PROFESSIONALS

14. To the best of the Debtors' knowledge, and except as otherwise set forth in this Application and in the accompanying McDermott Declaration, the members, counsel, and associates of Skadden, Arps, (a) do not have any connection with any of the Debtors, their affiliates, their creditors, or any other parties in interest, or their respective attorneys and accountants, the United States Trustee for Region 3 or any person employed in the office of the same, or any judge in the United States Bankruptcy Court for the District of Delaware or any person employed in the office of the same, (b) are "disinterested persons," as that term is defined in section 101(14) of the Bankruptcy Code, as modified by Bankruptcy Code section 1107(b), and (c) do not hold or represent any interest adverse to the estates.

15. Except as set forth in the McDermott Declaration, Skadden, Arps has in the past represented, currently represents, and likely in the future will represent certain parties in interest in these cases in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such entities' claims against or interests in the Debtors.

16. The Debtors understand that except as otherwise set forth in the McDermott Declaration:

- (a) Neither Skadden, Arps nor any attorney at the Firm holds or represents an interest adverse to the Debtors' estates.
- (b) Neither Skadden, Arps nor any attorney at the Firm is or was a creditor or an insider of the Debtors, except that Skadden, Arps previously has rendered legal services to the Debtors for which it has been compensated as disclosed below.

- (c) Neither Skadden, Arps nor any attorney at the Firm is or was, within two years before the Petition Date, a director, officer, or employee of the Debtors.
- (d) Skadden, Arps does not have an interest materially adverse to the interest of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in the Debtors, or for any other reason.

17. In view of the foregoing, the Debtors believe that Skadden, Arps is a "disinterested person" within the meaning of Bankruptcy Code section 101(14), as modified by Bankruptcy Code section 1107(b).

18. Skadden, Arps has informed the Debtors that throughout these cases, Skadden, Arps will continue to conduct periodic conflicts analyses to determine whether it is performing or has performed services for any significant parties in interest in these cases and that Skadden Arps will promptly update the McDermott Declaration to disclose any material developments regarding the Debtors or any other pertinent relationships that come to Skadden, Arps' attention.

PROFESSIONAL COMPENSATION

19. Skadden, Arps will accept as compensation for its work during the chapter 11 cases such sums as may be allowed by the Court on the basis of the professional time spent, the rates charged for such services, the necessity of such services to the administration of the estates, the reasonableness of the time within which the services were performed in relation to the results achieved, and the complexity, importance, and nature of the problems, issues or tasks addressed in these cases. Additionally, Skadden, Arps will seek compensation for all time and expenses associated with its retention as a section 327(a) professional, including the preparation of this

Application, the McDermott Declaration and related documents, as well as any monthly fee statements and/or interim and final fee applications.

20. Skadden, Arps' fees for professional services are based on its guideline hourly rates, which are periodically adjusted. Skadden, Arps' current hourly rates under its standard rate structure range from \$795 to \$1095 per hour for partners and of counsel, \$760 to \$850 per hour for counsel and special counsel, \$360 to \$710 per hour for associates, and \$190 to \$295 per hour for legal assistants. However, pursuant to the Engagement Agreement Supplement, Skadden, Arps has agreed to a 15% discount off the foregoing hourly rates for restructuring and bankruptcy related work.

21. In the one-year period prior to the Petition Date, Skadden, Arps was paid a total of approximately \$1,899,775 for the Firm's work on behalf of the Debtors in connection with the Debtors' efforts to restructure their affairs. Prior to the time that Skadden, Arps received a retainer as described below, such amounts were paid pursuant to regular monthly invoices which generally were paid, on average, within 34 days of invoice. Certain of such work related to the Debtors' efforts to obtain an extension of their obligations under their secured lending facility and related matters in March and April 2010. In addition to the foregoing, Skadden, Arps earned and was paid additional fees relating to litigation and other work for the Debtors, with such amounts generally being paid consistent with the average payment period noted above.

22. In late January and February 2011, the Debtors and their secured lenders recommended restructuring negotiations in earnest, at which time Skadden, Arps' work on behalf of the Debtors increased significantly. On March 14, 2011, the Debtors delivered to Skadden, Arps a \$1,000,000 retainer to be held as on account cash for the

advance payment of pre-petition professional fees and expenses incurred and charged by Skadden, Arps for all matters, including the restructuring-related work (the "On Account Cash"). The amount of the On Account Cash was increased thereafter through a series of additional deposits so that, by May 9, 2011, the amount of On Account Cash totaled \$2,600,000. Thereafter from time to time, upon Skadden, Arps providing the Debtors with invoices for professional fees and expenses, Skadden, Arps deducted the amount of the invoices from the On Account Cash and requested that the Debtors replenish the On Account Cash.

23. As of the Petition Date, based upon prepetition fees and expenses that have been identified and accounted for as of the date hereof, and assuming application of all such fees and expenses against the On Account Cash, Skadden, Arps had approximately \$1,109,394 remaining in the On Account Cash, inclusive of an additional \$500,000 deposit received by Skadden, Arps on May 20, 2011. Skadden, Arps will be permitted, subject to this Court's approval of its engagement, to apply the balance of any On Account Cash it is holding against its final reconciled invoice for pre-petition professional fees and expenses and hold the balance of any remaining On Account Cash as a post-petition "evergreen" retainer for professional fees and expenses incurred and charged by Skadden, Arps in its representation of the Debtors in all matters (not limited to the bankruptcy case) after the commencement of these chapter 11 cases (the "Post-Petition Retainer"). In that regard, Skadden, Arps has informed the Debtors that as promptly as practicable after all fees and charges accrued prior to the Petition Date have been finally posted within the Firm's computerized billing system, Skadden, Arps will issue a final detailed billing statement to the Company for the actual fees, charges, and

disbursements incurred for the period prior to the Petition Date (the "Final Prepetition Bill Amount").

24. Subject to any orders of the Court, Skadden, Arps will reconcile the Final Prepetition Bill Amount with the On Account Cash drawn to pay its pre-petition invoices. To the extent that reconciliation of the amount of the pre-petition invoices (the "Reconciliation Amount") is less than the On Account Cash, Skadden, Arps requests that it be permitted to hold the full amount of the difference as a Post-Petition Retainer to be applied against any amounts approved by the Court in connection with Skadden, Arps' final fee application in these cases. In the event that the Final Prepetition Bill Amount exceeds the On Account Cash, Skadden, Arps agrees to waive any claim against the Debtors for payment with respect to the amount by which the Reconciliation Amount exceeds the On Account Cash.

25. Consistent with the Firm's policy with respect to its other clients, Skadden, Arps has charged and will continue to charge the Debtors for all other services provided and for other charges and disbursements incurred in the rendition of such services. These charges and disbursements include (without limitation) costs for photocopying, electronic data management services, including scanning and document imaging, travel, travel-related expenses, business meals, computerized research, messengers, couriers, postage, witness fees, and other fees related to trials and hearings.

26. During the course of these cases, Skadden, Arps will apply to the Court for allowance of compensation for professional services rendered and reimbursement of expenses incurred in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the United States Trustee Fee

Guidelines, and any orders entered in these cases governing professional compensation and reimbursement for services rendered and charges and disbursements incurred. Such applications will constitute a request for interim payment against the Firm's reasonable fees and expenses to be determined at the conclusion of these cases.

27. Other than as set forth above and in the McDermott Declaration, no arrangement is proposed between the Debtors and Skadden, Arps for compensation to be paid in these cases. Except for such sharing arrangements among Skadden, Arps, its affiliated law practice entities, and their respective members, Skadden, Arps has no agreement with any other entity to share any compensation received, nor will any be made, except as permitted under Bankruptcy Code section 504(b)(1).

28. The Debtors submit that the engagement and retention of Skadden, Arps on the terms and conditions set forth herein and in the Engagement Agreement and the Engagement Agreement Supplement is necessary and in the best interests of the Debtors, their estates, and their creditors and should be approved.

NOTICE

29. Notice of this Application shall be given to (i) the Office of the United States Trustee for the District of Delaware; (ii) counsel to the agent for the Debtors' prepetition lenders; (iii) the Debtors' top thirty (30) largest unsecured creditors on a consolidated basis; and (iv) all parties entitled to notice pursuant to Local Rule 9013-1(m).

NO PRIOR REQUEST

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

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form annexed hereto, granting the relief requested in the Application and such other and further relief as may be just and proper.

Dated: May 24, 2011

JACKSON HEWITT TAX SERVICE INC.
(on behalf of itself and the other Debtors)

/s/ Daniel P. O'Brien

Name: Daniel P. O'Brien

Title: Executive Vice President, Chief
Financial Officer and Treasurer

EXHIBIT A

McDermott Declaration

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
:
In re: : Chapter 11
:
JACKSON HEWITT TAX SERVICE : Case No. 11-11587 (MFW)
INC., et al., :
:
Debtors.¹ : Jointly Administered
-----X

**DECLARATION OF MARK A. McDERMOTT IN SUPPORT OF DEBTORS'
APPLICATION FOR ORDER UNDER 11 U.S.C. §§ 327(a) AND 329, FED. R.
BANKR. P. 2014 AND 2016, AND DEL. BANKR. L.R. 2014-1 AND 2016-1
AUTHORIZING EMPLOYMENT AND RETENTION OF SKADDEN, ARPS,
SLATE, MEAGHER & FLOM LLP AND AFFILIATES AS BANKRUPTCY
COUNSEL *NUNC PRO TUNC* TO THE PETITION DATE**

I, Mark A. McDermott, hereby declare that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a member of the firm of Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden, Arps" or the "Firm"), which maintains offices for the practice of law at, among other places, One Rodney Square, 10th and King Streets, Wilmington, Delaware 19899. I am admitted in, practicing in, and a member in good standing of the bars of the States of New York and Illinois, the United States District Courts for the Southern District of New York and the Northern District of Illinois, and the United States Court of Appeals for the Fourth and Eighth Circuits.

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Jackson Hewitt Tax Service Inc. (9692), Jackson Hewitt Inc. (9705), Jackson Hewitt Technology Services LLC (2409), Tax Services of America, Inc. (7427), Jackson Hewitt Corporate Services Inc. (2415), and Hewfant Inc. (0545). The address for each of the Debtors, with the exception of Jackson Hewitt Technology Services LLC, is 3 Sylvan Way, Parsippany, NJ 07054. The address for Jackson Hewitt Technology Services LLC is 501 N. Cattlemen Rd., Sarasota, FL 34232.

2. I submit this declaration pursuant to sections 327(a) and 329 of title 11 of the United States Code (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 Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the "Local Rules") in support of the Debtors' Application for Order Under 11 U.S.C. §§ 327(a) and 329, Fed. R. Bankr. P. 2014 and 2016, and Del. Bankr. L.R. 2014-1 and 2016-1 Authorizing Employment and Retention of Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates as Bankruptcy Counsel *Nunc Pro Tunc* to the Petition Date (the "Application"),² filed contemporaneously herewith by the debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors" or the "Company"). Except as otherwise indicated herein, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify competently thereto.³

QUALIFICATION OF SKADDEN, ARPS

3. Prior to 2004, Skadden, Arps represented Cendant Corporation ("Cendant"), now known as Avis Budget Group, Inc., and various Cendant entities, including Jackson Hewitt Tax Service Inc. ("Jackson Hewitt" or the "Company"). Skadden, Arps began representing the Debtors in March 2004, in connection with Cendant's divestiture of 100% of its ownership interest in Jackson Hewitt in an underwritten public offering. Skadden, Arps and the Debtors formalized the representation pursuant to an engagement agreement dated March 11, 2004, a copy of

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

³ Certain of the disclosures herein relate to matters within the knowledge of attorneys of Skadden, Arps and are based on information provided by them.

which is attached hereto as Exhibit A (the "Engagement Agreement"). Since Jackson Hewitt's initial public offering, Skadden, Arps has represented the Company on various corporate, tax and litigation matters.

4. As a result of this relationship, the Company approached Skadden, Arps regarding representing it in connection with its restructuring efforts in early 2010. The engagement was formalized in a letter from Skadden, Arps to Jackson Hewitt dated as of February 16, 2010 (the "Engagement Agreement Supplement"). A copy of the Engagement Agreement Supplement is attached hereto as Exhibit B. Pursuant to the Engagement Agreement Supplement, the Debtors expanded the scope of Skadden, Arps' retention to provide legal advice to the Company in connection with its efforts to respond to its financial circumstances, including a restructuring of its financial affairs and capital structure, and, as necessary, preparation of documents related to, and representation in, any reorganization cases filed under chapter 11 of the Bankruptcy Code and other related matters.

5. Since entering into the Engagement Agreement Supplement, the Company and Skadden, Arps have worked closely with respect to the Company's restructuring efforts. In doing so, and as a consequence of the Firm's longstanding relationship with the Company, Skadden, Arps has become uniquely familiar with the Debtors' capital structure; the terms of the Debtors' debt; the operation of the Debtors' businesses; the terms of the prepackaged plan of reorganization and related disclosure statement, and many of the potential legal issues that might arise in the context of these cases. Skadden, Arps has provided advice and assisted the Company in all aspects of its restructuring efforts and the preparation of these cases, including negotiating and drafting

the various first-day motions and the prepackaged plan of reorganization and related disclosure statement, and other documents and pleadings necessary for the successful prosecution of these prepackaged chapter 11 cases.

6. Skadden, Arps has done so through a highly qualified team of professionals and paraprofessionals. The core Skadden, Arps team has included three partners. Gregory Milmoie and I are partners in the Firm's restructuring department. Each of us has extensive experience - 36 years and 20 years, respectively - in corporate restructuring and related matters. We have been responsible for leading this engagement since the date of the Engagement Agreement Supplement. Gregory Fernicola is a partner in the Firm's corporate finance department with approximately 26 years experience in securities and finance-related matters. He has worked with the Debtors since the initial public offering in 2004.

7. Other professionals and paraprofessionals in the Firm's corporate restructuring, banking, corporate finance, tax and litigation departments, many of whom also have extensive experience in corporate restructuring generally and debtor representations in reorganization cases specifically, have participated and will continue to participate in the representation of the Debtors in these cases. Due to the Firm's experience and knowledge in the field of debtors' and creditors' rights and business reorganizations under chapter 11 of the Bankruptcy Code, and due to the Firm's extensive working history with the Debtors, Skadden, Arps believes that it is well qualified and uniquely able to act on the Debtors' behalf and to guide them through these reorganization cases. Accordingly, subject to this Court's approval of the Application,

Skadden, Arps is willing to perform the services requested by the Company, as set forth herein and in the Engagement Agreement and the Engagement Agreement Supplement.

SERVICES TO BE RENDERED

8. The Debtors have requested that Skadden, Arps render various services to the Debtors including (without limitation) the following:
- (a) advising the Debtors with respect to their powers and duties as debtors and debtors in possession in the continued management and operation of their businesses and properties;
 - (b) attending meetings and negotiating with representatives of creditors and other parties in interest, and advising and consulting on the conduct of the cases, including all of the legal and administrative requirements of operating in chapter 11;
 - (c) taking all necessary action to protect and preserve the Debtors' estates, including the prosecution of actions on their behalf, the defense of any actions commenced against those estates, negotiations concerning litigation in which the Debtors may be involved, and objections to claims filed against the estates;
 - (d) preparing, on behalf of the Debtors, motions, applications, answers, orders, reports, and papers necessary to the administration of the estates;
 - (e) preparing and negotiating on the Debtors' behalf plan(s) of reorganization, disclosure statement(s), and all related agreements and/or documents, and taking any necessary action on behalf of the Debtors to obtain confirmation of such plan(s);
 - (f) advising the Debtors in connection with any sale of assets;
 - (g) performing other necessary legal services and providing other necessary legal advice to the Debtors in connection with these chapter 11 cases; and
 - (h) appearing before this Court, any appellate courts, and the United States Trustee and protecting the interests of the Debtors' estates before such courts and the United States Trustee.

9. Skadden, Arps understands that the Debtors are planning on filing retention applications for other professionals in these cases. Skadden, Arps has informed the Debtors that it will take all appropriate steps to avoid unnecessary and wasteful duplication of efforts by any other professionals retained in these cases. In particular, the Debtors have informed Skadden, Arps that the Debtors also retained Moelis & Company LLC to serve as investment bankers, Alvarez & Marsal North America, LLC to serve as financial advisors, Deloitte & Touche to serve as tax advisors and Kekst & Company to serve as communications advisors.

DISINTERESTEDNESS OF PROFESSIONALS

10. To the best of my knowledge, and except as otherwise set forth herein, the members, counsel, and associates of Skadden, Arps, (a) do not have any connection with any of the Debtors, their affiliates, their creditors, or any other parties in interest, or their respective attorneys and accountants, the United States Trustee for Region 3 or any person employed in the office of the same, or any judge in the United States Bankruptcy Court for the District of Delaware or any person employed in the office of the same, (b) are "disinterested persons," as that term is defined in section 101(14) of the Bankruptcy Code, as modified by Bankruptcy Code section 1107(b), and (c) do not hold or represent any interest adverse to the estates.

11. Skadden, Arps in the past has represented, currently represents, and in the future likely will represent certain parties in interest in these cases in matters unrelated to the Debtors, the Debtors' reorganization cases or such entities' claims against or interests in the Debtors. Accordingly, prior to the commencement of these cases, Skadden, Arps conducted a disclosure review with respect to the Debtors and the

significant parties in interest in the Debtors' cases, which disclosure review has continued since the commencement of the Debtors' cases.

12. As provided in more detail in the subsequent paragraphs of this Declaration, of the Debtors, the Debtors' former parent, the Debtors' current and former officers and directors, the lenders under the Debtors' secured credit facilities, the Debtors' thirty (30) largest unsecured creditors, the Debtors' franchisees, parties to material contracts involving the Debtors, the Debtors' largest known shareholders, the Debtors' financial product counterparties, the Debtors' major competitors, the Debtors' insurers, the Debtors' landlords, the Debtors' sureties, parties to litigation involving the Debtors, co-defendants in litigation with the Debtors, professionals representing the Debtors, the Office of the United States Trustee for Region 3, and Judges for the United States Bankruptcy Court for the District of Delaware (all as identified by the Debtors during the months of March through April 2011),⁴ Skadden, Arps currently represents, or has represented the following entities or their affiliates in matters unrelated to the Debtors, the Debtors' cases, or such entities' claims against and interests in the Debtors:

13. **Debtors.** Skadden, Arps has since 2004 represented Jackson Hewitt and certain of its subsidiaries in multiple matters, including its initial public offering, and various litigation, tax and corporate matters.

14. **Former Parent.** Skadden, Arps represented Cendant Corporation, the former parent of Jackson Hewitt and certain of its affiliates, in connection with the separation transaction pursuant to which Jackson Hewitt became a public company in 2004. The Firm continues to represent certain former subsidiaries of Cendant

⁴ A list of the entities identified by the Debtors is attached hereto as Exhibit C.

Corporation, including Avis Budget Inc., Realogy Corporation, Travelport Inc. and Wyndham Worldwide Corporation in matters unrelated to the Debtors and their chapter 11 cases.

15. **Officers and Directors.** Skadden, Arps does not currently represent and has not represented any of the Debtors' current or former officers and directors.

16. **Significant Business Affiliations of Officers and Directors.** Skadden, Arps currently represents or has represented the following entities or their affiliates with which the Debtors' officers and directors have significant business affiliations in matters unrelated to the Debtors and their chapter 11 cases: Bridgeman Foods Inc.; Celgene Corporation; Chattem, Inc.; Citigroup Inc.; Fifth Third Bancorp; Hochtief AirPort GmbH; HSBC Holdings plc; The Coca-Cola Company; and Verizon Communications Inc.

17. **Lenders.** Skadden, Arps currently represents or has represented the following lenders under the Debtors' secured credit facilities or their affiliates in matters unrelated to the Debtors and their chapter 11 cases: Bank of America, N.A.; Capital One, N.A.; Citibank, N.A.; Fifth Third Bank; The Governor and Co. of the Bank of Ireland; HSBC Bank USA, N.A.; JPMorgan Chase Bank, N.A.; Macquarie Bank Limited; PNC Bank, N.A.; President and Fellows of Harvard College; RBS Citizens, N.A.; Royal Bank of Scotland plc; TD Bank, N.A.; and Wells Fargo Bank, N.A.

18. **Thirty Largest Unsecured Creditors.** Skadden, Arps currently represents or has represented the following of the Debtors' thirty largest unsecured

creditors or their affiliates in matters unrelated to the Debtors and their chapter 11 cases: Developers Diversified Realty Corp. and Zimmerman Advertising, Inc.

19. **Franchisees.** Skadden, Arps does not currently represent and has not represented any of the Debtors' franchisees.

20. **Contract Parties.** Skadden, Arps currently represents or has represented the following parties to material contracts with the Debtors or their affiliates in matters unrelated to the Debtors and their chapter 11 cases: Acxiom Corporation; Automatic Data Processing Inc.; Aetna Life Insurance Company; AmTrust North America, Inc.; Becker Professional Education; Cigna Behavioral Health, Inc.; Hilco Real Estate, LLC; IBM Credit LLC; International Business Machine Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Microsoft Licensing, GP; Moore Wallace North America, Inc.; Rackspace US Inc.; Raytheon Professional Services, LLC; TALX Corporation; Verizon Business Network Services Inc.; Wal-Mart Stores, Inc.; and Zimmerman Advertising, Inc.

21. **Largest Known Shareholders.** Skadden, Arps currently represents and has represented Fidelity Management & Research Company, the only shareholder holding 5% or more of the Debtors' common stock, and its affiliates in matters unrelated to the Debtors and their chapter 11 cases.

22. **Financial Product Counterparties.** Skadden, Arps currently represents Pacific Capital Bank, N.A., a former refund anticipation loan provider, and its affiliates in matters unrelated to the Debtors and their chapter 11 cases.

23. **Competitors.** Skadden, Arps does not currently represent and has not represented any of the Debtors' major competitors.

24. **Insurers.** Skadden, Arps currently represents or has represented the following insurance providers for the Debtors or their affiliates in matters unrelated to the Debtors and their chapter 11 cases: ACE American Life Insurance Company; American Guarantee & Liability Insurance Company; Axis Insurance Company; Continental Insurance Company (CNA); Federal Insurance Company; Liberty Mutual Insurance Company; Marsh, Inc.; National Union Fire Insurance Company of Pittsburgh, PA; The Ohio Casualty Insurance Company; Starr Indemnity & Liability Company; and Zurich American Insurance Company.

25. **Landlords.** Skadden, Arps currently represents or has represented the following landlords of the Debtors in matters unrelated to the Debtors and their chapter 11 cases: Developers Diversified Realty Corp. and Dun & Bradstreet, Inc.

26. **Sureties.** Skadden, Arps currently represents or has represented the following sureties of the Debtors or their affiliates in matters unrelated to the Debtors and their chapter 11 cases: Hartford Fire Insurance Company and Travelers Casualty and Surety Company of America.

27. **Litigation Parties.** Skadden, Arps has represented an affiliate of the New York State Division of Human Rights, a party to litigation adverse to the Debtors, in matters unrelated to the Debtors and their chapter 11 cases.

28. **Co-Defendants.** Skadden, Arps does not currently represent and has not represented any of the Debtors' co-defendants in litigation.

29. **Professionals.** Other than Skadden, Arps, the Debtors intend to seek to retain or compensate certain other professionals to assist them in matters related to these chapter 11 cases. Of these professionals, Skadden, Arps currently represents or

has represented the following professionals or their affiliates in matters unrelated to the Debtors and their chapter 11 cases: Alvarez & Marsal North America, LLC; Deloitte & Touche LLP; FTI Consulting; Kekst; and Moelis & Company LLC.

30. **Other Possible Connections.** Skadden, Arps currently represents or has represented persons or entities with names similar to the following directors, officers, franchisees, and litigation parties, or their affiliates, in matters unrelated to the Debtors and their chapter 11 cases: CS Capital Management, LLC; Dawn M. Lewis; Dominion; James D. Eagan; James Williams; Jennifer A. Lynch, P.C.; Jim Griffin; Judith A. Smith; Peter M. Winkler; Richard S. Barnes ; Robert Sheppard; Ronald N. Clark ; Susan B. Scott; Susan C. Harmon; Tax Partners, LLC; Thomas P. McNamara; Tom Smith; and Wayne A. Cohen.

31. **Judges and United States Trustees.** I am not related, and, to the best of my knowledge, no attorney at the Firm is related, to any United States Bankruptcy Judge in the District of Delaware or to the United States Trustee for Region 3 or any person employed in the offices of the same. Jane Leamy, a former associate in the Firm's corporate restructuring department, is currently a trial attorney at the U.S. Trustee's Office in Wilmington, Delaware (Region 3).

32. **Prior Representations by Current Skadden, Arps Attorneys.** Certain Skadden, Arps attorneys have in the past, prior to their employment by Skadden, Arps, represented, or been employed by, certain parties in interest identified to date in these bankruptcy cases on matters unrelated to the Debtors and their chapter 11 cases.

33. Furthermore, certain Skadden, Arps attorneys may be related to, or have relationships with, or other interests in, parties in interest, or members, employees or directors of parties in interest.

34. In addition, some of the Firm's professionals have assets managed by financial advisors or hold mutual funds which are managed by third party fund managers. Neither the Firm nor its professionals have any control over the investments in such funds, including investment purchases, sales and the timing of such activities. Securities of the Debtors or potential parties in interest may be held through the foregoing investments. In addition, certain professionals may hold securities of potential parties in interest or their affiliates in the ordinary course. To the best of my knowledge, no employee of the Firm working directly on this engagement holds securities of the Debtors or the Debtors' affiliates.

35. Many of the Firm's representations of the above clients consist of representations in episodic transactional matters. Skadden, Arps' representation of the above entities will not affect the Firm's representation of the Debtors in these cases. Except as otherwise disclosed herein, Skadden, Arps does not presently represent the above entities in any matters adverse and/or related to the Debtors.

36. For the twelve month period ending March 31, 2011 (the "Trailing Twelve Months"), including the Firm's representation of the Debtors and their affiliates, of the entities identified in this Declaration and their affiliates, only the following have accounted for more than 1% of the value of the time billed to client matters for the Trailing Twelve Months: Bank of America; Citigroup, Inc.; and J.P. Morgan Chase.

37. Except as otherwise set forth herein:

- (a) Neither Skadden, Arps nor any attorney at the Firm holds or represents an interest adverse to the Debtors' estates.
- (b) Neither Skadden, Arps nor any attorney at the Firm is or was a creditor or an insider of the Debtors, except that Skadden, Arps previously has rendered legal services to the Debtors for which it has been compensated as disclosed below.
- (c) Neither Skadden, Arps nor any attorney at the Firm is or was, within two years before the Petition Date, a director, officer, or employee of the Debtors.
- (d) Skadden, Arps does not have an interest materially adverse to the interest of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in the Debtors specified in the foregoing paragraphs, or for any other reason.

38. In view of the foregoing, I believe that Skadden, Arps is a "disinterested person" within the meaning of Bankruptcy Code section 101(14), as modified by Bankruptcy Code section 1107(b).

39. Skadden, Arps has instituted and is currently engaged in extensive further inquiry regarding the Debtors' constituencies through further inquiries of its partners, counsel, and associates with respect to the matters contained herein, including the circulation of a special disinterestedness questionnaire to each of the approximately 2000 partners, counsel, and associates in the Firm's numerous domestic and international offices. Skadden, Arps will promptly file a supplemental declaration should the results of this inquiry or any further inquiries reveal material facts not disclosed herein. Skadden, Arps will continue to comply with its ongoing duty under the Bankruptcy Code to notify this Court if any actual conflict arises, and, if necessary, arrange for an "ethical wall" with respect to the Skadden, Arps attorney who worked on such matter.

40. Pursuant to the Engagement Agreement and the Engagement Agreement Supplement, the Debtors waived certain non-disqualifying conflicts and agreed that Skadden, Arps may represent other present and future clients of Skadden, Arps on a basis adverse to the Debtors, including litigation, legal or other proceedings, so long as Skadden, Arps was not then and had not previously been engaged by the Company in the matter. However, during the pendency of the chapter 11 cases, Skadden, Arps will not represent present or future clients of Skadden, Arps on matters adverse to the Debtors in these chapter 11 cases. Moreover, in connection with the chapter 11 cases, to the extent any causes of action are commenced by or against a present or future client of Skadden, Arps, and a waiver letter is not obtained permitting Skadden, Arps to participate in such action, the Debtors' will obtain conflicts counsel to represent them in such action.

PROFESSIONAL COMPENSATION

41. Skadden, Arps will accept as compensation for its work during the chapter 11 cases such sums as may be allowed by the Court on the basis of the professional time spent, the rates charged for such services, the necessity of such services to the administration of the estates, the reasonableness of the time within which the services were performed in relation to the results achieved, and the complexity, importance, and nature of the problems, issues or tasks addressed in these cases. Additionally, Skadden, Arps will seek compensation for all time and expenses associated with its retention as a section 327(a) professional, including the preparation of the Application, this Declaration and related documents, as well as any monthly fee statements and/or interim and final fee applications.

42. Skadden, Arps' fees for professional services are based on its guideline hourly rates, which are periodically adjusted. Skadden, Arps' current hourly rates under its standard rate structure range from \$795 to \$1095 per hour for partners and of counsel, \$760 to \$850 per hour for counsel and special counsel, \$360 to \$710 per hour for associates, and \$190 to \$295 per hour for legal assistants. However, pursuant to the Engagement Agreement Supplement, Skadden, Arps has agreed to a 15% discount off the foregoing hourly rates for restructuring and bankruptcy related work.

43. In the one-year period prior to the Petition Date, Skadden, Arps was paid a total of approximately \$1,899,775 for the Firm's work on behalf of the Debtors in connection with the Debtors' efforts to restructure their affairs. Prior to the time that Skadden, Arps received a retainer as described below, such amounts were paid pursuant to regular monthly invoices which generally were paid, on average, within 34 days of invoice. Certain of such work related to the Debtors' efforts to obtain an extension of their obligations under their secured lending facility and related matters in March and April 2010. In addition to the foregoing, Skadden, Arps earned and was paid additional fees relating to litigation and other work for the Debtors, with such amounts generally being paid consistent with the average payment period noted above.

44. In late January and February 2011, the Debtors and their secured lenders recommended restructuring negotiations in earnest, at which time Skadden, Arps' work on behalf of the Debtors increased significantly. On March 14, 2011, the Debtors delivered to Skadden, Arps a \$1,000,000 retainer to be held as on account cash for the advance payment of pre-petition professional fees and expenses incurred and charged by Skadden, Arps for all matters, including the restructuring-related work (the "On Account

Cash"). The amount of the On Account Cash was increased thereafter through a series of additional deposits so that, by May 9, 2011, the amount of On Account Cash totaled \$2,600,000. Thereafter from time to time, upon Skadden, Arps providing the Debtors with invoices for professional fees and expenses, Skadden, Arps deducted the amount of the invoices from the On Account Cash and requested that the Debtors replenish the On Account Cash.

45. As of the Petition Date, based upon prepetition fees and expenses that have been identified and accounted for as of the date hereof, and assuming application of all such fees and expenses against the On Account Cash, Skadden, Arps had approximately \$1,109,394 remaining in the On Account Cash, inclusive of an additional \$500,000 deposit received by Skadden, Arps on May 20, 2011. Skadden, Arps will be permitted, subject to this Court's approval of its engagement, to apply the balance of any On Account Cash it is holding against its final reconciled invoice for pre-petition professional fees and expenses and hold the balance of any remaining On Account Cash as a post-petition "evergreen" retainer for professional fees and expenses incurred and charged by Skadden, Arps in its representation of the Debtors in all matters (not limited to the bankruptcy case) after the commencement of these chapter 11 cases (the "Post-Petition Retainer"). In that regard, Skadden, Arps has informed the Debtors that as promptly as practicable after all fees and charges accrued prior to the Petition Date have been finally posted within the Firm's computerized billing system, Skadden, Arps will issue a final detailed billing statement to the Company for the actual fees, charges, and disbursements incurred for the period prior to the Petition Date (the "Final Prepetition Bill Amount").

46. Subject to any orders of the Court, Skadden, Arps will reconcile the Final Prepetition Bill Amount with the On Account Cash drawn to pay its pre-petition invoices. To the extent that reconciliation of the amount of the pre-petition invoices (the "Reconciliation Amount") is less than the On Account Cash, Skadden, Arps requests that it be permitted to hold the full amount of the difference as a Post-Petition Retainer to be applied against any amounts approved by the Court in connection with Skadden, Arps' final fee application in these cases. In the event that the Final Prepetition Bill Amount exceeds the On Account Cash, Skadden, Arps agrees to waive any claim against the Debtors for payment with respect to the amount by which the Reconciliation Amount exceeds the On Account Cash.

47. Consistent with the Firm's policy with respect to its other clients, Skadden, Arps has charged and will continue to charge the Debtors for all other services provided and for other charges and disbursements incurred in the rendition of such services. These charges and disbursements include (without limitation) costs for photocopying, electronic data management services, including scanning and document imaging, travel, travel-related expenses, business meals, computerized research, messengers, couriers, postage, witness fees, and other fees related to trials and hearings.

48. During the course of these cases, Skadden, Arps will apply to the Court for allowance of compensation for professional services rendered and reimbursement of expenses incurred in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the United States Trustee Fee Guidelines, and any orders entered in these cases governing professional compensation and reimbursement for services rendered and charges and disbursements incurred. Such

applications will constitute a request for interim payment against the Firm's reasonable fees and expenses to be determined at the conclusion of these cases.

49. Other than as set forth herein and in the Application, no arrangement is proposed between the Debtors and Skadden, Arps for compensation to be paid in these cases. Except for such sharing arrangements among Skadden, Arps, its affiliated law practice entities, and their respective members, Skadden, Arps has no agreement with any other entity to share any compensation received, nor will any be made, except as permitted under Bankruptcy Code section 504(b)(1).

I declare under penalty of perjury under the laws of the United States of America that, to the best of my knowledge, information and belief, and after reasonable inquiry, the foregoing is true and correct.

Dated: May 24, 2011

SKADDEN, ARPS, SLATE, MEAGHER & FLOM
LLP

/s/ Mark A. McDermott _____

Mark A. McDermott
SKADDEN, ARPS, SLATE, MEAGHER
& FLOM, LLP
Four Times Square
New York, New York 10036-6522
(212) 735-3000
(212) 735-2000

EXHIBIT A

Engagement Agreement

PHK 11 2004 10:00 AM

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

FOUR TIMES SQUARE
NEW YORK 10036-6522

(212) 735-3000

FAX: (212) 735-2000

<http://www.skadden.com>

DIRECT DIAL
(212) 735-2018
DIRECT FAX
(212) 777-2018
E-MAIL ADDRESS
CPERNICO@SKADDEN.COM

FIRM/AFFILIATE OFFICES

BOSTON
CHICAGO
HOUSTON
LOS ANGELES
NEWARK
PALO ALTO
SAN FRANCISCO
WASHINGTON, D.C.
WILMINGTON
BEIJING
BRUSSELS
FRANKFURT
HONG KONG
LONDON
MOSCOW
PARIS
SINGAPORE
SYDNEY
TOKYO
TORONTO

CONFIDENTIAL

March 11, 2004

Jackson Hewitt Tax Service Inc.
7 Sylvan Way
Parsippany, New Jersey 07054
Attention: Susan J. LoFrumento, Esq.
Vice President and General Counsel

Dear Susan:

We are pleased that Jackson Hewitt Tax Service Inc., a Delaware corporation (the "Company"), has decided to engage Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden Arps" or the "Firm") in connection with its contemplated initial public offering (the "IPO") and related matters (collectively, the "Engagement").

As usual, our Engagement is to represent the Company and not its individual directors, officers, employees or shareholders. However, we anticipate that in the course of that Engagement, we may provide information or advice to directors, officers or employees in their corporate capacities. As you are aware, we also have been engaged to represent Cendant Corporation in connection with the IPO and Cendant and the Company are signing a separate letter agreement in connection therewith.

The services to be provided by the Firm in connection with the Engagement will encompass all services normally and reasonably associated

Jackson Hewitt Tax Service Inc.
March 11, 2004
Page 2

with this type of engagement which the Firm is requested and is able to provide and which are consistent with its ethical obligations.

Engagement Personnel

Eric Friedman and I will be primarily responsible for and actively involved in the Engagement. Additional lawyers, including those in other practice areas such as tax and employee benefits/compensation, will be added to the Engagement on an as needed basis.

Fees and Expenses

We understand that you are having discussions with Cendant Corporation with respect to our fees and the extent to which Cendant may participate in the payment of our fees and expenses.

As to billing, we will submit a statement following the closing of the IPO, unless the transaction is delayed or abandoned, in which case we would submit statements for payment on a periodic basis. We would anticipate payment of our statements promptly after receipt.

In addition, our billing statements will include charges and disbursements incurred by us in the course of performing legal services. These items will be billed in accordance with our standard practice as described in the enclosed summary, which may be periodically updated.

If a dispute develops about our fees, you may be entitled under Part 137 of the Rules of the Chief Administrator of the New York Courts to arbitration of that dispute if it involves more than one thousand and less than fifty thousand dollars.

Waivers and Related Matters

The Firm represents a broad base of clients on a variety of legal matters. Accordingly, absent an effective conflicts waiver, conflicts of interest may arise that could adversely affect your ability and the ability of other clients of the Firm to choose the Firm as its counsel and preclude the Firm from representing you or other clients of our Firm in pending or future matters. Given that possibility, we wish to be fair not only to you, but to our other clients as well. Accordingly, this letter will confirm our mutual agreement that the

Jackson Hewitt Tax Service Inc.

March 11, 2004

Page 3

Firm may represent other present or future parties on matters other than those for which it had been or then is engaged by the Company, whether or not on a basis adverse to the Company or any of its affiliates, including in litigation, legal or other proceedings or matters, which are referred to as "Permitted Adverse Representation." In furtherance of this mutual agreement, the Company agrees that it will not for itself or any other party assert the Firm's representation of the Company, either previously, in its then existing representation in the Engagement, or in any other matter in which the Company retains the Firm, as a basis for disqualifying the Firm from representing another party in any Permitted Adverse Representation and agrees that any Permitted Adverse Representation does not constitute a breach of duty. Permitted Adverse Representation would include, without limitation, representing a client over which the Company might be seeking to acquire influence or control, or from which the Company may wish to buy assets, or representing a client regarding its interest at the time in acquiring influence or control over an entity in which the Company then has a similar interest. Permitted Adverse Representation would also include the matters addressed in the separate letter agreement, dated the date hereof among the Company, Cendant and Skadden Arps.

Our representation of the Company is premised on the Firm's adherence to its professional obligation not to disclose any confidential information or to use it for another party's benefit without the Company's consent. Provided that the Firm acts in this manner, the Company would not for itself or any other party assert that the Firm's possession of such information, even though it may relate to a matter for which the Firm is representing another client or may be known to someone at the Firm working on the matter, (a) is a basis for disqualifying the Firm from representing another of its clients in any matter in which the Company or any other party has an interest or (b) constitutes a breach of any duty owed by the Firm.

Jackson Hewitt Tax Service Inc.

March 11, 2004

Page 4

With respect to parties affiliated with the Company generally, including parties owned by the Company and parties that hold direct or indirect interests in the Company, it is our understanding that the Firm is not being asked to provide, and will not be providing, legal advice to, or establishing an attorney-client relationship with, any such affiliated party or person in their individual capacity and will not be expected to do so unless the Firm has been asked and has specifically agreed to do so. Finally, it is our understanding that if the Firm acts as counsel for any other party as to which the Company then owns completely, directly or indirectly, all of the common stock or similar voting interest (other than directors' qualifying shares, if any), the mutual agreement reflected in this letter, including the waivers, would apply to that party as well.

* * *

The provisions of this letter will continue in effect, including if the Firm's representation of the Company was ended at your election (which, of course, the Company would be free to do at any time) or by the Firm (which would be subject to ethical requirements). In addition, the provisions of this Engagement Letter will apply to future engagements of the Firm by the Company unless we mutually agree otherwise.

This agreement shall be governed by and interpreted in accordance with the laws of the State of New York without regard to its conflicts of laws principles.

For purposes of this letter, references to Skadden Arps or the Firm include our affiliated law practice entities.

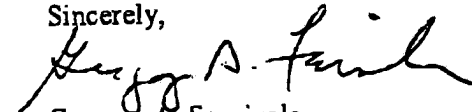
If this letter is satisfactory, please sign a copy and return it to me. Obviously, if you want to discuss any aspect of this letter further, please call me.

Jackson Hewitt Tax Service Inc.
March 11, 2004
Page 5

Again, we very much appreciate the opportunity to work with Jackson Hewitt and look forward to doing so.

With best regards.

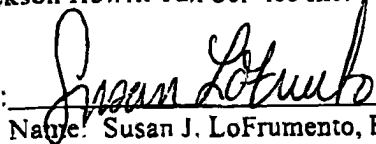
Sincerely,



Gregory A. Fericola

Jackson Hewitt Tax Service Inc.

By:



Name: Susan J. LoFrumento, Esq.

Title: Vice President and General Counsel

Dated: As of March 11, 2004

Enclosures

EXHIBIT B

Engagement Agreement Supplement

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

DIRECT DIAL
(212) 735-2918
DIRECT FAX
917-777-2918
EMAIL ADDRESS
GREGORY.FERNICOLA@SKADDEN.COM

FOUR TIMES SQUARE
NEW YORK 10036-6522

TEL: (212) 735-3000
FAX: (212) 735-2000
www.skadden.com

FIRM/AFFILIATE OFFICES

BOSTON
CHICAGO
HOUSTON
LOS ANGELES
PALO ALTO
SAN FRANCISCO
WASHINGTON, D.C.
WILMINGTON
BEIJING
BRUSSELS
FRANKFURT
HONG KONG
LONDON
MOSCOW
MUNICH
PARIS
SINGAPORE
SYDNEY
TOKYO
TORONTO
VIENNA

February 16, 2010

Jackson Hewitt Tax Service Inc.
7 Sylvan Way
Parsippany, New Jersey 07054
Attention: Louis P. Salvatore
Chair, Special Committee

Dear Mr. Salvatore:

We are pleased that Jackson Hewitt Tax Service Inc. (the "Company") has decided to engage Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden Arps" or the "Firm") in connection with its efforts to work out its present financial circumstances and related matters as described further below (the "Engagement"). We recognize that you have the opportunity to obtain services from other law firms and appreciate that you have chosen to continue to work with us. Thank you for your continued confidence in us.

We confirm that, for this Engagement, we will report directly to, and take direction from, the Special Committee of the Board of Directors of the Company established for these purposes.

The Engagement involves representing the Company in its efforts to work out its present financial circumstances, which may include negotiations with its lenders and, possibly, restructuring its financial affairs and capital structure. The services to be provided by the Firm in connection with the Engagement will encompass all services normally and reasonably associated with this type of engagement which the Firm is requested and is able to provide and which are consistent with its ethical obligations. As legal counsel, we are not in a position to, and the Company has not retained us to, provide financial advice. With respect to all matters of our Engagement, we will coordinate closely with the Special Committee as to the nature of the services to be rendered by us and the scope of our engagement.

We understand that Rogers & Hardin LLP has been retained by the Special Committee to advise on governance and related matters. We are committed to working closely and in full cooperation with Rogers & Hardin LLP to manage the

Jackson Hewitt Tax Service Inc.
February 16, 2010
Page 2

Engagement on a cost-effective and productive basis. To the extent practicable, we will coordinate with Rogers & Hardin LLP to divide tasks to avoid unnecessary duplication of effort between us as directed by the Special Committee.

Mark McDermott, Stephanie Teicher, and I will be responsible for and actively involved in the Engagement. Additional lawyers from our Banking Group and Restructuring Group will be involved in the Engagement on an as needed basis.

Our fee will be based on the time involved in the Engagement and our internal standard hourly time charges, which are periodically reviewed and revised. Given our long-standing relationship with the Company, we are prepared to offer a fee discount equal to 15% of all time charges. As to billing, we will submit statements for services rendered for payment and would anticipate payment promptly after receipt. In addition, our billing statements will include charges and disbursements incurred by us in the course of performing legal services.

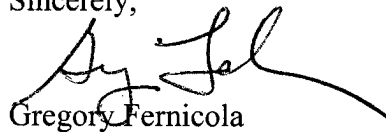
This letter supplements our engagement letter dated March 11, 2004 which will continue in effect.

If this letter is satisfactory, please sign a copy and return it to me. Obviously, if you want to discuss any aspect of this letter further, please call me.

Again, we very much appreciate the opportunity to work with you on the Engagement and look forward to doing so.

With best regards.

Sincerely,



Gregory Fericola

Jackson Hewitt Tax Service Inc.

By: _____

Name: Louis P. Salvatore

Title: Chair, Special Committee

Dated: As of February 16, 2010

EXHIBIT C

List of Entities Identified by the Company

Co-Defendants

Daniel Prewett
J.H. Investment Services, Inc.

Competitors

Free File Alliance
H&R Block Tax Services, Inc.
Liberty Tax Service

Contract Parties

Acxiom Corporation
ADP, Inc.
Aetna Life Insurance Company
AmTrust North America, Inc.
Becker Professional Education
Benefit Concepts, Inc.
Capital One, N.A.
Cartera Commerce, Inc.
CCH Incorporated
CIGNA Behavioral Health Inc
CooperKatz and Company, Inc.
Danamichele Brennen O'Brien
Deloitte & Touche LLP
Dun & Bradstreet, Inc.
Gary E. Loyd
Gelco Management & Developers LLC
Harry Buckley
Hilco Real Estate LLC
IBM Credit, LLC
IBT Enterprises, LLC
Integra Business Systems, Inc.
International Business Machine Corporation
Learn.com, Inc.
Life Insurance Company of North America
Martin & Martin, LLP
Merrill Lynch, Pierce, Fenner & Smith Inc
Metabank d/b/a Meta Payment Systems
Microsoft Licensing, GP
Mid-Atlantic Fastax, LLC
Moelis & Company LLC
Moore Wallace North America, Inc.
OTC Markets Group Inc.
Navint Partners
Philip H. Sanford
Premier Ektron Hosting Provider ServerSide, Inc.
Rackspace US, Inc.
Raytheon Professional Services LLC
Republic Bank & Trust Company

Right Now Technologies, Inc.
Santa Barbara Tax Products Group, LLC
Sarasota Gateway Building D, LLP
Seismic Partners LLC
Steven L. Barnett
Strategic Marketing & Research, Inc.
SunGuard Availability Services LP
TALX Corporation
Targus Information Corporation
Trecie A. Loyd
Verizon Business Network Services Inc.
Vienna Tax Service Ltd
Wal-Mart Louisiana, LLC
Wal-Mart Stores Arkansas, LLC
Wal-Mart Stores East, LP
Wal-Mart Stores Texas, LLC
Wal-Mart Stores, Inc.
Wells Fargo Bank, N.A. as Administrative Agent
Zimmerman Advertising, Inc.

Debtors

Hewfant Inc.
Jackson Hewitt Corporate Service Inc.
Jackson Hewitt Inc.
Jackson Hewitt Tax Service Inc.
Jackson Hewitt Technology Services LLC
Tax Services of America, Inc.

Debtors' Directors & Officers

Adam Ratner
Arnold Janofsky
Barbara Jordan
Bill Van Den Acre
Bob Summers
Corrado DePinto
Daniel P. O'Brien
David Kraut
David Weselcouch
Debra Dowd
Drew Gattuso
Duane Mora
Gary Small
Gary Weinstein
Gus Hernandez
Harry W. Buckley
James C. Spira
Joel Starry
Louis P. Salvatore

Margaret (Peggy) Milner Richardson
Mark Steber
Michele Geraci
Pamela Harvey
Paul Sanders
Peter F. Reilly
Philip H. Sanford
Philip H. Sanford
Rick Peroe
Robert Moore
Rodman L. Drake
Shara Abrams
Steven L. Barnett
Ulysses L. Bridgeman, Jr.

Debtors' Former Names

Copy, Pack & Ship
Jackson Hewitt Technology Services Inc
JHTS Inc.

Financial Product Companies

Metabank
Pacific Capital Bank, NA
Republic Bank & Trust Company
Santa Barbara Bank & Trust
Santa Barbara Tax Products Group, LLC

Former Directors & Officers

Danamichele Brennen
Evan Reed
Michael C. Yerington
Peter N. Karpiak
Randy Nilsen
Sheila Cort
Tom Smith

Former Parent

Avis Budget Group, Inc.
Cendant

Franchisees

1040 Quick, LLC
1040 Solutions of PA, LLC
1040, Inc.
1ST Choice Tax Service, Inc.
5B Bookkeeping, Inc.
5K Tax, Inc.
A & A Tax Service, LLC

A and A of Mississippi Inc.
A and R Gomez
A&S Business Services, Inc.
AAA Accurate Tax Preparation, LLC
Abbas Saeedi
ABC Tax Service, LLC
AC Brokerage & Multi-Professional S
AC Professional LLC
Accounting to You, Inc.
Accurate Tax Services L.L.C.
ACE Financial, LLC
Active Income Taxes Inc.
Active Taxes II Inc.
Adriana Casillas and Juan Flores
Advanced Tax Services, Inc.
ADW Services, Inc.
Affordable Business Services, LLC
Affordable Tax Solution LLC
Alabama Fast Tax, Inc.
Alamance Tax Service, Inc.
Alan L Schwartz
Alan M. Becke
Alan Perlman & Tracy Gyllenhammer
Albert Thum
Alex Ashtiani
Alex Rico
Aliasgar Zirapury
Allen S. Ware
ALMI Management LLC
Alpha Tax Services Inc.
Altos Financial, LLC
Alvin M. Collins
Aman Ghafoor
Amanda Mefferd & Cheryl Evey
American Tax Service, LLC
American Tax, Inc.
Andrea Basalyga-Phillips
Andrea Herber
Angela E. Lusk
Angle Enterprises*
Anibal C. Cardozo
Anjeet Sobti and Luciano Lorenzo
Annie Marie Feikema
Anthony Massih & Sami Massih
Aranda Financial Services, Inc.
Arkay Resources, Inc.
Artax Services, Inc.
Arthur Vance Thomas, Jr.

Aslam (Sam) Shekha
Atlantic Business Services, Inc.
Atlantic Coast Tax Service LLC
AV Rising Financial Services, Inc.
B & D of MS, Inc.
B & F Associates, Inc.
B & T Tax Service, LLC
Babze Group, Inc.
Barbara Ward White
Barbour Enterprises, Inc.
Barrett Capital Management, Inc.
Bartlett Tax Service, LLC
BCG Enterprises, Inc.
Beacher, Inc.
Belly C. Stinson & Joseph Lee Morri
Bendmac, L.L.C.
Benham Miller & Harris Inc.
Best Quality Tax Services Inc.
Betty Stinson
Big 5 Investments, LLC
Big Sky Ventures 2, LLC
Big Sky Ventures I, LLC
BK Tax Service, Inc.
Blue Springs Tax Services, Inc.
BMP Enterprises
BNS Enterprises, Inc.
Bob Bradach & Margaret Grady
Bobkat, LLC.
Bond-Steme Tax Service, L.P.
Bottom Line Enterprises LLC
Bowling-Shipp, LLC
B-R Tax Services, LLC
Brattain, Inc.
Brenda Sipple Inc.
Brian Whipple
Brilliant Deductions Inc.
Brits, Inc.
Brooke Holdings
BSG Financial Services, Inc.
Bucephalus LLC
Buffington Tax Service, LLC
Business Accounting Solutions, Inc.
Business Service Company LLC
C & B Tax Incorporated
C & C Tax Service, Inc.
C. Dexter Stapleton
CAMA Enterprises, Inc.
Camille Tree, Inc.

Capital City Tax Venture Inc.
Capital Region Tax Associates, LLC
Carl C. Reidemeister
Carl Sanchez
Carol A. Manousos
Carole M. Sykes
Carolina Tax Service, Inc.
Carlot, Inc.
Cassandra Ferguson
Castillo & Melo Inc
Centax, Inc.
Central Alabama Tax Service, Inc.
Central Mississippi Tax Consultants
CERL, LLC.
C-File Inc.
Charles Patterson
Chartered Accountants, Inc.
Chatham Tax Service Inc.
Checkmark, Inc.
Cheddie De Freitas
Cheddie De Freitas & Esmie Frater
Cheryl Hudson
Chesapeake Bay Development Group
Chestax Company
Chicago Management Consultants, Inc
Christian Financial Services, Inc.
Cinbert Inc.
CJ Pfister Inc.
CK Ventures, Inc.
Claudette Huggins
Clorinda Cottini
Coastal Bend Tax Service, Inc.
Cochran & Hauan, Inc.
Collins J. Ogbolu
Collins Njoku
Color Country Tax Service, LLC
Common Cents Financial Services Inc.
Comprehensive Business Accounting,
Connie Haynes and Mike Haynes
Conundrum Inc.
Cordes Financial & Tax Services LLC
Corto Financial Group LLC
Cotcave, Inc.
Covenant Tax Services, Inc.
Craig W. Kobylasz
CRCNS, Inc.
Crunch, Inc.
CS Capital Management, LLC

CS Ventures, Inc
Cyndi Timbs
D & H Tax Services, Inc.
D&C Professional Services, Inc.
D&D Tax Associates, L.L.C.
D&D Tax Group, Inc.
D&M Tax Service, LLC
D. Scot Boosel
D.G.A. Services, Inc.
D.W.R. Tax Consulting, Inc.
DAC Tax Service, Inc..
Daily Venture, Inc.
Dan J Thomas Tax & Financial Services
Danger Gal Enterprises LLC
Daniel A Morley
Daniel Behling
Dann Battistone
Daughtry Tax Service of Georgia, In
Daughtry Tax Service, Inc.
David G. Cline
David Jacques
David Tucker Read
Dawn M. Lewis
Dawn T. Beacham
Death and Taxes, Inc.
Debbie Jackson
Deblabar, Inc.
Deduction Finders, Inc.
Deschutes Tax Services, LLC
Dewaine F. Gillott
Diaz Tax Service, Inc.
Dick Rasnick
Diversity Tax Service
DM Professional Services, Inc.
Donald L. Short
Don's Income Tax Service, Inc.
Doris M. Dupree-Roberts
Dr. Tax:Business & Financial Services
DRK, LLC
Duck Creek Financial Services, Inc.
Dynamic Investment Strategies, Inc.
E & C Financial Services Inc
E & F Tax Services, Inc.
E Rodriguez Inc.
E Tax Service, Inc.
E.G. Solemon, Inc.
E.T. Financial Services, Inc.
Ebony & Ivory Associates, LLC

EDM Investment Strategies, Inc.
Edmund Smith
Elizabeth Goble
Elle, Inc.
Ellen Long Medeiros
Ellis Family Trust
ELM of Northwest Florida, Inc.
Elmack Consulting, Inc.
Employees, Inc.
Erdwin Rodriguez & Bethzaida Rodriguez
Eresource Group, Inc.
ESCA Tax Sevices of New York, Inc.
Esteve Enterprises, Inc.
Ethridge Tax Service
Etukson Financial Center, Inc.
Evelyn M. Frankovich
Exactax Service, Inc.
E-Zee Tax Solutions LLC
Farideh Chubineh
Farnav Corp. and Professional Acct
Fast & Accurate Tax Service, Inc.
Fastax & Accounting Service, LLC
Fastax Services of Atlanta, Inc.
Fastax, Inc.
FatCat Enterprises
Fateh Tax Services, Inc.
Faulkner Financial Services, LLC.
Faye Wigley
FDC, Inc.
Fellabaum & Co, Inc
Fesade, Inc..
Financial Management Network Inc.
Financial Tax Centres, Inc.
Floman Enterprises, Inc.
Florida Tax Team, Inc
FMB Group LLC
Fontaine & Associates, Inc.
Fox Valley Tax Associates, LLC
Francis X. Schwartz
Frank L. Lowe
Frederick D. Hillery & Raymond A Pr
G & A Diversified Services, Inc.
G & K Tax Service, Inc.
G B S Associates Inc.
G&G Business Enterprises Inc.
G&K Financial Services, Inc.
Gale York, Inc.
Garfield & Johnson Enterprises Inc.

Garthwait & Schinck LLC
GBS Tax Service, LLC
Gem Accounting & Management Svc LLC
GemStar Tax & Management Service, LLC
Gena Tax & Financial Services 194,
George Marsich
GGTG-Tax Associates, Inc.
Gidget Neiman
Gilchrist, Incorporated
Gino A. Ferrari and Paul Bando
GKF Tax Ventures LP
Gloria Frith
Gorba Inc.
Got Refund.com, Inc.
Grad, L.L.C.
Grand Income Tax, Inc.
Gray Raven Ventures, Inc.
Greater NY Professional Services, Inc.
Greiner Tax Service, Inc.
Griffith Anderson, LLC
Guernsey Group, Inc.
Gum Enterprises, Inc.
H & R Tax Plus, Inc.
H & T Tax Service, Inc.
Hanoba Business Corporation
Happy Mountain Inc.
Harry B. Rhett
Hayen Enterprises, nc.
HB Tax Services, Inc.
Hema Virani
Hikmat Elahmadie
Himalaya Financial Group, Inc.
Holeinthepool LLC
Homextra Corp.
Hoosier Tax Service, Inc.
Houtax East, LP
HouTax West, LP
HTH Tax Services, Inc.
Hui Financial, Inc.
Ibrahim Shah
Icon World Incorporated
Imran Sharif
Inder J. Bhambri, Prabha Bhambri
Individual Taxes, Etc., Inc.
Integrity Accounting Services
Integrity Financial Services Inc,
Intellisas Inc.
Irmac Company LLC

Irvine IHC, Inc.
Irving R. McMillian
Ivy Investments, Inc.
J & E Tax Service, Inc.
J & J Tax Service, Inc.
J and C Tax Services, Inc.
J&E Tax Services Inc.
J.H. Developers, Inc.
Jack Frost LLC
Jackson and Terrell Tax Service
Jalaledin Naderi
James Michael Jones
James Inc.
Jankell, LLC
Jasbir K. Sobti
Javier Ledesma
JB Tax, LLC.
JBD Financial Services LLC
JBK Systems, Inc.
JC A&R Properties, LLC
JCEA Tax Service of Central Oklahoma
JCJH Business Services, LLC
JDR LLC
Jeanne Ann Berube
Jeanne M. McGinnis & William M. McGinnis
Jeffrey L. Hedberg
Jeffry D. Meahl & Beth E. Meahl
Jehad Maswadi
Jennifer A. Lynch, P.C.
Jerel Crist
JH Bellingham, LLC.
JH Buckeye, Inc.
JH Financial Services, Inc.
JH of Greater Pittsburgh, Inc.
JHL Tax Service, Inc.
Jiao B. Zhang
Jim Shuck
Jimoh E. Ikhide
JIT Services, Inc.
JL Martin Enterprises LLC
JLJ Tax Group, LLC
JMN Inc.
Joel Yablonsky
John B. Dean
John Draper
John W Hogg
Josefina Mednez Rosa, Rodolfo G. Mendez
Joseph A. Tyson, Jr.

Joseph Mitzel Company, Inc.
Joseph P. O'Rourke
Josh Enterprises, Inc.
Joyce Z Liu
JPM Holdings, LLC
JSM Tax, LLC
JT Financial Services, LLC.
J-Tax/Orlando, Inc.
JTB Tax Pros, Inc.
Judith A. Smith
Judy A. Benitscheck
Judy Hooker
K and S Tax Partners, Inc.
KAG Tax Enterprises, LLC
Karl H. Lindinger
Kassie Pruitt
Kave Enterprises, LLC
KE Farmer Enterprises, Inc.
Keedy Enterprises, Inc.
Keith VVinegarden
Kelley Tax Group, Inc.
Kenosha Tax Services, Inc.
Kevali Corp.
Kevin Dick Asset Management Company
Khatib Financial Services, Inc.
Kibiger Enterprises, Inc.
Kishore Peter
KKT Tax Service, LLC
Krishna Tax Services Inc.
L & L Financial Services, LLC
L and R Properties Inc
L.W. Farmbry and Associates, Inc.
Labib Baltagi CPA, Inc.
Lacy E Tinnen
Lakeya D. Storr
Lance Abraham
Larry Demoss Keith 2005 Revocable T
Larson & Savage, Inc.
LaSonya M. Cuylear
Laterdaz, Inc
LaToya N. Grace
LCB Tax Associates, Inc.
Lemaire McCumsey Group Inc.
Lendon M. Crosby and Lynda G. Crosby
Lenville H. Tucker
Lewis & Company, Inc.
LFL Financial Services, Inc.
Lillian A. Bell

Lilmontsa LLC
Lindsey Enterprises, Inc.
Lisa L Hodges & Tony L Hodges
Lisa Thomas
Lowe Brother's Services, Inc.
Lowe Enterprises, Inc.
Lu-Chien Hartmann
Luzwilda Vargas & Ramon Otanez
M & I Tax and Accounting Incorporated
M & M Financial Services, Inc.
M & W Tax Service, Inc.
M&M Tax Service
M&S Tax and Accounting Inc.
Mahendra Virani
MAI Tax
Manapar, Inc.
Maray, Inc.
Marc L. Gilbert
Maria Esmeralda Rizo & Maribel Rizo
Marita L harris
Mark Ramsingh & Veronica Ramsingh & Rav
Marsu, Inc.
Martha Jane Chandler
Martin Egan & Associates, Ltd.
Marvel Management Corporation
Mary Ann Zablocki
Mary E. Rich
Maryland SAMCO, Inc..
Matthew A. Davis
Matthew Barkohanai
Maxes, LLC
Maximum Deductions Inc.
Mayes E. Fuller
MBJ Associates, Inc.
McCumsey Enterprises, LLC
McHirsch LLC
McIntire & Associates, P.A.
Metro Computax Services, Inc.
Michael A. Mazzulla
Michael E. Krempp
Michael G. Ferry
Michael J. Oerth
Michael R. Daugherty
Michael W. DeCampo
Michigan Tax Service, LLP.
Mid South Tax Service LLC
Milton Bratton
Minerva A. Chalwell

Mission Critical Tax Service, LLC.
Mityco, Inc.
Modern Tax Service Inc.
Monterey Tax Service
Moore Tax Services, LLC
Mr. Hilary B. Poochigian
Mudaliar Eknath & Suryaprabha Eknat
Muhammad Shahzad Noor
Multitax Services, Inc.
Myra M. Chidester
N and S Tax, LLC
Nancy E Mammen
Nashoba Global Inc.
Neil Feather
Nelson & Nelson Tax Sevice, Inc.
Nerd Enterprises, L.L.C.
New Century Investments, Inc.
New York Cash Express, Inc.
NewEdge Tax Service, Inc.
Next Tax Services Inc.
Nicholas J. Lordi
Nicola C. Wong & Bryan Wong
Night & Day, Inc.
NJR Tax, Inc.
North Alabama Taxes Inc.
Northwest, Inc.
Nova Financial Services, LLC.
Nylak, Inc.
O Wow Tax Service, Inc.
O&W Taxes Inc.
Olivarez Inc.
Olen Tax Service LLC
Onyx Enterprises Company
Oology, Inc.
Optimum Tax Consultants & Other
Optimus Financial Ltd
Orjda Tax Service of New Jersey, Inc
Ozark Country Homes, LLC
P & E Tax Service, Inc.
P T Tax LLC
P&L Financial, LLC
PAM, Inc.
Paramjit K. Nijjar
Patricia Thorne Leassear
Patriot Tax / TSA 2
Patterson & Daniels Services
Paul A Haukoos & Edwin A Rundell
Paula E. Better

Payal Parikh
Peggy Hubble
Peggy K Butler
Pelicans III, Inc.
Percy Ethridge and Shirley Ethridge
Peter M. Winkler
Phillip and Maureen Brown
Phillip L Graham
Pierce Principle Ventures, Inc.
PK Shingledecker, LLC
PNL Solutions, Inc.
Polton Financial Inc.
Professional Tax Service Oregon LLC
QBS, Inc.
R & R Cruz, Ltd.
R&R Golf LLC.
R&R Richards, LLC
Raed Khatib
Rajan Bhatia
Ramiro Alcalá
Rancho Bernardo Consultants Inc
Randy Harper
Ray Douglas Schelin
RB Allen Holdings, LLC
RC Tax Services, LLC
RCS Enterprises, LLC
Red Cent East, Inc.
Red Cent, Inc.
Refund America Tax Services, LLC
Refunds R Us, LLP
Reliable Tax Accounting Services, I
Reliance Services, Inc.
RH Tax & Financial Service, Inc.
Richard A. Engel & Karyn E. Engel
Richard Lance
Richard Navarro
RJW, Inc.
RMBJ Financial Services, LLC
Robert A. Ferro
Robert Jolicoeur & Priscilla Jolicoeur
Robert R. Rill
Robert Schubach
Robin M. W. Swam
Robin M.W. Swam & James A. Lewis
Robin Swam and Shawn Gage
Rochester Tax Service, Inc.
Rockford Tax Service, Inc.
Rodriguez & Santana Associates, Inc

Roger D. Hooten
Roman Landaverde
Ron E. Tull
Ron Kimberly
Ronald J. Humway
Ronald L. Brown, Inc.
Ronald W. Kirchenberg, CPA, Inc.
Roots Tax Team, LLC.
Rosa H. Smallwood
Royal Crown Services, Inc.
RRD Financial Services, Inc.
RTJJ Enterprises, Inc.
Rucquoi & Associates, Inc.
S & D Tax and Accounting Services,
SAAJ Tax Inc
Saeedi LLC.
Sami & Sami Inc.
Samuel G. White
Samuel Melaku
Samyoul Samuel Lee & Hye Kyung Lee
Sandra L. Carter
Sara Altagracia & Carmen Espinal
SBSA Wichita LLC
Schissler & Co., Inc.
Scott A. Gailey
Scott E. Enterprises, Inc
Scott Hampton
Shabaaz P. Hoosein
Sharon Brockman
Sharon C. McManus
Sharon L. Smith
Shawn Gage
Sheboni Services, LLC
Shelly Pijpaert & John Allen & Terr
Shenandoah Tax Service L.L.C.
Sigil, Inc.
Sims Financial Services Inc.
Sirrah, Inc.
SJTP Enterprises LLC
Skywind Financial LLC.
Smart Tax of NC, Inc.
SMW, Inc.
SNR & CSR LLC
Sobtax NY, Inc.
Soma Tax Service, Inc.
Southwest Suburban Tax Service, Inc
Specialized Tax Service, Inc.
Speed Filing, Inc.

Spraggins Group, Inc.
SSC Holding Company
Star Consultants, Inc.
Stawara Tax Services, Inc.
Stella G. McAnalty
Stephen B. Register, Jr.
Steven Calicutt & Yolunda Calicutt
Strange Metro Tax LLC
Studle and Associates, Inc.
Sue Robinson
Sugar Pine Corporation
Suncoast Financial Solutions, Inc.
Sunrise Tax Services, Inc.
Super - Tax, Inc.
Super Tax Corporation
Susan & Joseph Nolan
Susan B. Scott & Leslie N. Scott
Susan C. Harmon Revocable Living Trust
Susan E. Elliott
SV Tax Service Inc.
Sweiss & Associates, Ltd.
SWSHS, Inc.
Sycamore 3 Tax Group, LLC
SYGE Inc.
T&M Tax Service, Inc.
Takara L. Bennett
Tami K. Nelson
Tammi Fangmeier, Christopher J. Fangmeier
Tammi L. Fangmeier
TandSCO, LLC
Tango Juliet, LLC
Tax Able, Inc.
Tax Advantage Plus, Inc.
Tax Associates, Inc.
Tax Back, Inc.
Tax Clinic, Inc.
Tax Doctor, Inc.
Tax Experts of America, Inc.
Tax Generation Inc
Tax Man Corp
Tax Partners, LLC.
Tax Prep, Inc.
Tax Professionals of America, Inc.
Tax Professionals, Inc.
Tax Pros of Chicago, Inc
Tax Pro's of Montana, Inc.
Tax Save Express, Inc.
Tax Services of America, Inc. COO

Tax Services Plus, Inc.
Tax Services Plus, Inc.
Tax Solutions, Inc.
Tax Transit Incorporated
Taxcom, Inc.
Taxprep, Inc.
Taxrfd, Inc.
Taxtyme Incorporated
TaxTyme Incorporated of North Carol
TB Winter & Associates, Inc.
TCT Tax Service, Inc.
TDM Services, Inc.
Technosoft, Inc.
Tekampe Associates, Inc.
Ten Fourty, Inc.
Tennessee Tax Doctors, LLC
Terry Veevers
Terry W. Luke
TGW Corporation
The Duhart Group, LLC
The Duncan's Inc.
The Petrous Group, LLC
The Schiesel Family, Inc.
The Stiers Group, Inc.
The Tax Authority, Inc.
The Tax Doctors, Inc.
The Whittington Companies, Inc.
Thomas A Berutti
Thomas L. Kamrath
Thomas P. McNamara
Threce, Inc.
Thrive Enterprises, Inc.
ThumbTax Inc.
Tis the Season, Inc.
TM3, Inc..
TME Enterprises LLC
To The Victor, Inc.
Todd D Young
Todd R. Forester & Therese A. Jean
Tommy Yorkman
Topsail Tax Service, Inc.
Tracey L. Franklin
Tracy M. Oliva
TRI Tech Systems Inc
Two Cents Tax Services LLC
Tyler Reece
Union Tire & Appliance Co. Inc
United Financial Strategies LLC

United Tax Service, LLC
Upstate Tax Service, Inc.
USA Tax, Inc.
Uzodinma Igbanugo
Valley Consulting, LLC.
Varndean Corporation
Verge Investments, LLC
Vienna Tax Service, Ltd.
Vine Enterprises, Inc.
Vkroner, LLC.
VNE Corporation
VRD Tax Preparation LLC
Walter Hudnall, Jr.
Wan Investments, LLC
Water Point Inc.
Waverly Tax Services, Inc.
Wayne Rodriguez
Wayne Rodriguez & Daniel Asencio
Wayne Rodriguez & Douglas Jimenez
WCOC Financial Services, Inc.
We Tax & Financial Services, LLC.
Webmart, Inc.
Wei Family Trust
West Coast Tax Service, Inc.
West Metro Tax Service, Inc.
Whaler Tax Service, Inc.
Whaley & Whaley
William L. Hallum & Linda F. Hellum
William & Johnson, Inc.
William C. Westover
William Goldstein
Williams & Seixas Inc.
Wing Financial Services, LLC.
Wisconsin Tax Specialist, Inc.
Wise Tax Service, LP
WMW, Inc.
Wood's Tax, Inc.
Yarber Tax Services, Inc.
Yogesh C Patel & Joshbhai M Patel
Yolanda Brown
Yolanda Gayle Starks
Your Good Faith Tax & Accounting Se
Your Tax, LLC
Zada Corporation

Institutional Ownership (5% or greater)

Fidelity Management and Research Company
--

Insurance

ACE American Life
Allied World National Assurance
American Guarantee & Liability Insurance Company
AXIS
Chartis Excess Limited
Continental Insurance (CNA)
Federal (Chubb)
Hawaii Medical Service Association (a/k/a Blue Cross Blue Shield of Hawaii)
Liberty Mutual
Marsh, Inc.
National Union Fire Insurance Company of Pittsburgh, PA
Ohio Casualty Insurance Company
Starr Excess International (AIG)
Starr Indemnity & Liability Company
Zurich American Insurance Company

Landlords

Ben Kim Properties, LLC
Bloomington Shoppes Devlp.
Blue Diamond Center LLC
Croucher Family Partnership
Crystal Gallery Developer
Developers Diversified Realty Corp.
Dirk Wyatt
Dun & Bradstreet, Inc.
Ellenwood LLC
Fairporte Limited
Farm Road Retail LLC
Farruk Sohail
Fastax Properties of Baltimore
Flat Shoals Parkway LLC
Infinity Redevelopment, LLC
Inland Mid-Atlantic PM, LLC
J-Mar Galleria, LP
Kimco Income Operating (Embry Village)
LaCholla & River Road Assoc.
MCW-RC GA-Lindbergh Crossing LLC
Monte Vista Crossings, LLC
Pointe Group
Puritas Park Plaza LLC
Sabino-Verde, LLC
Sawyer Shops LLC
Simon Mall
SPN Corporation
SPN Corporation

SVP Property Management
SWM Market, LP
The Mohr Revocable Living Trust c/o The Lance-Kashian Group
The Realty Associates Fund VII LP
Thomas Carso c/o Consolidated Property Management
Valley Oaks Plaza
Weingarten Nostat, Inc.
Willmar Shoppes Retail Center, LLC c/o Mid America, LLC
Yebri Investment Co, LLC
ZP No. 166, LLC

Lenders

Bank of America
Bayside Capital Partners
Blue Mountain CAMF
Brencourt
Capital One NA
Citibank
Commerce Bank
Fifth Third Bank
Governor and Co. Bank of Ireland
Grace Bay Holdings II LLC
HSBC Bank USA, National Assoc
JPMorgan Chase
Macquarie Bank Limited
Marblegate Special Opportunities Master Fund
Morgan Stanley Senior Funding, Inc.
PNC Bank
President & Fellows of Harvard College
RBS Citizens NA
Regiment Capital, Ltd
Royal Bank of Scotland PLC
Seminole Tax, LLC
TD Bank
Wachovia Bank, N.A.
Wells Fargo Bank, N.A.

Litigants

Albert D. Adams
Alicia Gomez
Andrew Fournier
Anita Staana
Arakel Hagopian

Arkansas Office of the Attorney General
Barnes Enterprises, Inc.
Beau Toskich
Bessemer County Office of the District Attorney
Brent Wooley
Carmen Deliard
Carol Jarreau
Cecile Carriere
Christian Harper
City of Mishawaka
Dana Watts
Daniel Sabatino
DJSG Utah Tax Service, LLC
Donald J. Godbehere
Earnest Joiner
Edward Kasper
Elizabeth A. Zweifel
Elizabeth Harper
Elizabeth Linder
Ellen Kaman
Emilie Anne Hadley
Eric Hicklen
Estate of Larry Thompson
Excellent Professional Services, LLC
Florida Office of the Attorney General
Frank Kaman
Frederick & Associates Architects Inc.
G.A.L.T. Investments, LLC
Gabrielle Piekunka
Gary Easterling
George Shultz
Gilbert Jones
H&R Block
H.E.A.T. Enterprises, LLC
Hamidou Diarra
Ian M. Desmond
Inland Empire Financial Services, Inc.
James D. Eagan
James E. Hack
James Williams
Jean Irving Straveh
Jim Griffin
JJS Financial, LLC
Jo Fischer-Jones
Joiner's Tax Group, Inc.
JSE Business Development Group, Inc.
Karbe Brown
Karen Lance

Kathleen Kaufman
Kathryne Ward
Kerry Dyles
Lee Davis
Lesley Taylor
Linda Hunter
Linda Mitchell
Linda Shultz
Mallard Inc.
Mary Butz
Mary Ellen Bitela
Mitchell Martin
Nancee Thomas
National Tax Network, LLC
New York State Division of Human Rights
NTN Arizona, LLC
Pamela K. Flynn
Patsy Chaney
Peter Kaufman
Quiana Norris
Rebecca S. Myers
Richard S. Barnes
Robert Murphy
Robert Sheppard
Roger M. Young
Roger Polanco
Romulo Saavedra
Ronald N. Clark
Rosivoutha DeJean
Santana International Corp.
SEMO Tax Service, Inc.
Sharon Dawson
Sheila Godbehere
Sherita Fugate
Siegfried G. Christman
Sonja Williams
Standard Fast Taxx
Susan K. Ackerland
Ted Blackburn
The Tax Authority, Inc.
Thomas R. Averitt
Traci Elter
Tremayne A. Lonon
US Services, Inc.
Vicki L. Pinero
Vincent Piekunka
Wayne A. Cohen
Willie Brown

Yadira Mosquera

Non-Litigation Claims

Bupesh Costner
Pamela Flynn
Sherry A. Bunn

Professionals

Alvarez & Marsal
FTI Consulting
Garden City Group
Kekst
Milbank Tweed Hadley McCloy
Moelis & Co.
Reed Smith LLP
Rogers & Hardin LLP

Shareholders (5% or greater)

Cede & Co.

Sureties

Hartford Casualty Insurance
Hartford Fire Insurance Company
Travelers Casualty and Surety Company of America

Top 30 Unsecured Creditors

Ben Kim Properties, LLC
Bloomington Shoppes Devlp.
Blue Diamond Center LLC
Champion Solutions Group
Cooperkatz & Company Inc.
Croucher Family Partnership
Crystal Gallery Developer
Developers Diversified Realty Corp.
Dirk Wyatt
Farm Road Retail LLC
Farruk Sohail
Fastax Properties of Baltimore
Flat Shoals Parkway LLC
Kimco Income Operating (Embry Village)
LaCholla & River Road Assoc.
Litigation - Class Action - Maryland, Alicia Gomez v. Jackson Hewitt, Inc.
Litigation - Class Action - Maryland, Alicia Gomez v. Jackson Hewitt, Inc.
Litigation - Class Action - Maryland, Alicia Gomez v. Jackson Hewitt, Inc.
Litigation - Class Action - Maryland, Alicia Gomez v. Jackson Hewitt, Inc.

v. Jackson Hewitt, Inc.
Litigation - Class Action - Missouri, Fugate v. Jackson Hewitt Inc.
Litigation - Class Action - Missouri, Fugate v. Jackson Hewitt Inc.
Litigation - Class Action - Missouri, Fugate v. Jackson Hewitt Inc.
Litigation - Class Action - West Virginia, Harper v Jackson Hewitt, Inc.
MCW-RC GA-Lindbergh Crossing LLC
Monte Vista Crossings, LLC
Sawyer Shops LLC
Simon Mall
The Mohr Revocable Living Trust c/o The Lance-Kashian Group
Thomas Carso c/o Consolidated Property Management
Valley Oaks Plaza
Willmar Shoppes Retail Center, LLC c/o Mid America, LLC
Working Solutions
Yebri Investment Co, LLC
Zimmerman Advertising Inc.
ZP No. 166, LLC

U.S. Trustee Office – Region 3, Wilmington, DE

Christine Green
David Buchbinder
David Klauder
Diane Giordano
Dion Wynn
James R. O'Malley
Jane Leamy
Jeffrey Heck
Juliet Sarkessian
Lauren O'Neal
Mark Kenney
Michael Panacio
Michael West
Pat Tinker
Ramona Vinson
Richard Schepacarter
Shakima L. Dortch
Thomas Patrick Tinker
Tony Murray

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
:
In re: : Chapter 11
:
JACKSON HEWITT TAX SERVICE : Case No. 11-11587 (MFW)
INC., et al., :
:
Debtors.¹ : Jointly Administered
-----X

**ORDER UNDER 11 U.S.C. §§ 327(a) AND 329, FED. R. BANKR. P. 2014 AND
2016, AND DEL. BANKR. L.R. 2014-1 AND 2016-1 AUTHORIZING
EMPLOYMENT AND RETENTION OF SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP AND AFFILIATES AS BANKRUPTCY COUNSEL
*NUNC PRO TUNC TO THE PETITION DATE***

Upon the application (the "Application")² of the Debtors for entry of an order (the "Order"), under Bankruptcy Code sections 327(a) and 329, Bankruptcy Rules 2014 and 2016 and Local Rules 2014-1 and 2016-1, authorizing the employment and retention of Skadden, Arps, *nunc pro tunc* to the Petition Date, under a general retainer as the Debtors' bankruptcy counsel; and upon consideration of the O'Brien Declaration and the McDermott Declaration; and the Court having reviewed the Application, the O'Brien Declaration and the McDermott Declaration; and the Court being satisfied with the representations made in the Application and the McDermott Declaration that Skadden, Arps represents no interest adverse to the Debtors or their estates, that it is a

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Jackson Hewitt Tax Service Inc. (9692), Jackson Hewitt Inc. (9705), Jackson Hewitt Technology Services LLC (2409), Tax Services of America, Inc. (7427), Jackson Hewitt Corporate Services Inc. (2415), and Hewfant Inc. (0545). The address for each of the Debtors, with the exception of Jackson Hewitt Technology Services LLC, is 3 Sylvan Way, Parsippany, NJ 07054. The address for Jackson Hewitt Technology Services LLC is 501 N. Cattlemen Rd., Sarasota, FL 34232.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

"disinterested person" as that term is defined under Bankruptcy Code section 101(14), that its employment is necessary and in the best interests of the Debtors' estates, creditors, and other parties in interest; and it appearing that proper and adequate notice of the Application has been given and that no other or further notice is necessary; 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 is GRANTED.
2. Pursuant to Bankruptcy Code sections 327(a) and 329, the Debtors, as debtors and debtors in possession, are authorized to employ and retain Skadden, Arps as their bankruptcy, corporate and litigation counsel under a general retainer, effective as of the Petition Date, in accordance with the Application, the Engagement Agreement, the Engagement Agreement Supplement, the McDermott Declaration and this Order, to perform the services described therein.
3. To the extent the Application, the Engagement Agreement or the Engagement Agreement Supplement is inconsistent with this Order, the terms of this Order shall govern.
4. Skadden, Arps shall be compensated in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the United States Trustee Fee Guidelines, and any orders entered in these cases governing professional compensation and reimbursement for services rendered and charges and disbursements incurred.

5. Skadden, Arps is authorized to apply the balance of any On Account Cash against their final reconciled invoice for prepetition professional fees and expenses. In the event that the Final Prepetition Bill Amount exceeds the On Account Cash, Skadden, Arps has agreed to waive any claim against the Debtors for payment with respect to the amount by which the Reconciliation Amount exceeds the On Account Cash.

6. Notwithstanding anything to the contrary in the Engagement Agreement or the Engagement Agreement Supplement, Skadden, Arps shall apply any remaining amounts of its On Account Cash as a credit toward postpetition fees and expenses, after such postpetition fees and expenses are approved pursuant to the first order of the Court awarding fees and expenses to Skadden, Arps.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Application.

8. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: Wilmington, Delaware
[____], 2011

UNITED STATES BANKRUPTCY JUDGE