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4 (206) 623-7580

Honorable Karen A. Overstreet
Chapter 11
Hearing Location: Seattle, Room 7206
Hearing Date: Friday, October 22, 2010
Hearing Time: 9:30 a.m.
Response Date: Friday, October 15, 2010

8 UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 In re:

No. 10-21229

11 COAST CRANE COMPANY,

12 Debtor.

DECLARATION OF MICHAEL J.
GEARIN IN SUPPORT OF EX PARTE
APPLICATION FOR ORDER
AUTHORIZING EMPLOYMENT OF
K&L GATES LLP AS ATTORNEYS
FOR DEBTOR

15 I, Michael J. Gearin, declare as follows:

16 1. I am a partner in the law firm of K&L Gates LLP ("K&L Gates") and am duly
17 authorized to practice law in this Court. I submit this declaration in support of Coast Crane
18 Company's ("Debtor") application to employ K&L Gates as counsel.

19 2. K&L Gates has been asked to represent the Debtor in this case. K&L Gates and its
20 partners and associates are not creditors, equity security holders or insiders of the Debtor. Based
21 upon my review of the computerized conflicts data on file at K&L Gates, and to the best of my
22 knowledge, K&L Gates does not have an interest adverse to the Debtor, to any class of creditors, or
23 to any equity security holders. K&L Gates does not, to the best of my knowledge, have any
24 relationship with the United States Trustee or any person employed by the United States Trustee.

25 3. I caused a computer conflicts search to be conducted on the top thirty-five (35)
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DECLARATION OF MICHAEL J. GEARIN IN SUPPORT OF
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OF K&L GATES - 1

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1 unsecured creditors by amount, the major secured creditors, the landlords of the Debtor, the equity
 2 holders, directors, and affiliates of the Debtor as well as the prospective stalking horse bidder for the
 3 Debtor's assets. Based upon my review of the conflict search, and to the best of my knowledge,
 4 K&L Gates represents in matters unrelated to the Debtor the following creditors, affiliates of
 5 creditors, or parties in interest of the Debtor:

CREDITORS/INTERESTED PARTIES OF DEBTOR AND CURRENT K&L GATES CLIENTS		
Creditor/Interested Party	Creditor Claim	Type(s) of Representation
SENIOR SECURED LENDERS¹		
General Electric Co. and its subsidiary, Colonial Pacific Leasing Co.	\$30,206,564.00	Unrelated commercial law, regulatory and litigation matters * Conflict Waiver Obtained*
Wells Fargo Bank, N.A.	\$22,654,923.00	Unrelated commercial law, regulatory and litigation matters * Conflict Waiver Obtained*
PNC Bank, N.A.	\$22,654,923.00	Unrelated commercial law, regulatory and litigation matters * Conflict Waiver Obtained*
OTHER SECURED CREDITORS		
Citibank and related entities	Party to interest rate hedge agreement	Unrelated commercial law, including tax matters, regulatory compliance, commercial litigation, and employment advice matters
De Lage Landen Financial Services	\$4,133,781.00	Unrelated commercial law, regulatory and litigation matters

¹ K&L Gates also represents the senior secured lenders' counsel, Paul, Hastings, Janofsky & Walker LLP in unrelated labor and employment matters and unrelated other commercial law matters.

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JP Morgan Chase & Co. and related entities	Party to interest rate hedge agreement	Unrelated commercial law, regulatory and litigation matters
Ricoh Americas Corp. and related entities	\$12,383.00	Unrelated legal advice related to employment law matters.
LANDLORDS / EXECUTORY CONTRACT PARTIES		
Allied World National Assurance Company	Liability insurance	Unrelated legal engagement related to arbitration
Badger Equipment Co.	Distributorship agreement	Disposition of real estate
Bechtel and related entities	Maintenance Agreement	Unrelated commercial law matters
California Dep't of Water Resources	Landlord for West Sacramento storage	Unrelated environmental advice
Georgia Pacific LLC – Koch Industries (Parent of GP)	Equipment and maintenance agreement	Unrelated commercial law matters, government contracts counseling, environmental permitting advice, and compliance matters.
Longview Fibre- Brookefield Asset (Parent of Longview Fibre)	Equipment and maintenance agreement	Unrelated commercial legal advice
Trammo Navigation fka Translease Corp.	Vehicle lease	Unrelated commercial legal advice.

DECLARATION OF MICHAEL J. GEARIN IN SUPPORT OF
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TransAlta Corp; fka TransAlta USA Inc, fka TransAlta Corp.	Equipment and maintenance agreement	Unrelated commercial law, regulatory, immigration law, labor law, and litigation matters
Weyerhaeuser, Inc.	Equipment and maintenance agreement	Various unrelated commercial legal advice, including tax issues, securities advice, real estate disposition, litigation, and intellectual property matters.

4. K&L Gates has not and will not represent the above creditors in connection with this case, and has obtained or will obtain written conflict of interest waivers as necessary. To the extent necessary, the Debtor will engage conflicts counsel to represent the Debtor in matters in which K&L has a conflict of interest.

5. K&L Gates, in and through a number of its national offices, represents Wells Fargo Bank, N.A., PNC Bank, N.A., and General Electric Company and related company, Colonial Pacific Leasing Company and other affiliated entities of those lender parties (collectively, "the Senior Secured Lenders") in various matters, including regulatory and general commercial law matters unrelated to the Coast Crane matters. The Senior Secured Lenders are the Debtor's largest secured creditors.

6. The Senior Secured Lenders and Debtor have consented to K&L Gates' representation of Debtor in this matter and concurrent representation of the Senior Secured Lenders on matters unrelated to this bankruptcy case. K&L Gates has received conflicts of interest waivers from PNC Bank, N.A., Wells Fargo Bank, N.A., and General Electric Company / Colonial Pacific Leasing (collectively, "the Conflicts Waivers").

7. The Conflicts Waivers allow K&L Gates to represent the Debtor in hearings on bankruptcy contested matters such as cash collateral motions, DIP financing, and plan confirmation matters. However, some or all of the Conflicts Waivers exclude, absent further consent, (a) the use

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1 of any confidential information and client confidences of the Senior Secured Lenders; and (b)
2 representation of Debtor in any lawsuit or adversary proceeding for the purpose of (i) challenging
3 the allowance, enforceability, priority, amount, extent, or payment of any indebtedness owed to the
4 Senior Secured Lenders (including any attempt to surcharge any of the collateral of the Senior
5 Secured Lenders pursuant to Section 506 of the Code) or any challenge to the validity or
6 enforceability of any provision of any intercreditor agreement or subordination agreement between
7 the Debtor and any of the Senior Secured Lenders; (ii) pursuing any claim, counterclaim, or cross-
8 claim against any of the Senior Secured Lenders, whether based on lender liability, fraud,
9 misrepresentation, or dishonest conduct; (iii) any challenge to any of the rights, remedies, benefits or
10 protections afforded to the Senior Secured Lenders under any final DIP financing order or final cash
11 collateral order; (iv) any claim for litigation sanctions against the Senior Secured Lenders; or (v) to
12 obtain financing secured by any assets in which the Senior Secured Lenders maintain a security
13 interest, including financing secured by a lien pursuant to Section 364(d) of the Code. K&L Gates is
14 not aware of any such claims against the Creditors, but has advised the Debtor that it will need to
15 seek "conflicts counsel" in the unlikely event that such matters arise.

16 8. K&L Gates have also received a reciprocal conflict waiver from Debtor. The conflict
17 waiver obtained from Debtor clearly informed the Debtor that K&L Gates' representation of the
18 Debtor may be limited in that K&L Gates agreed to not appear in adversary proceedings or litigation
19 on behalf of the Debtor with respect to any claim or litigation against the Senior Secured Lenders as
20 described in Paragraph 7 above.

21 9. To the best of my knowledge the above listing of related representations is complete.
22 In the event that additional information comes to my attention with respect to any significant
23 relationship between K&L Gates and creditors of the estate, K&L Gates will file a supplemental
24 declaration disclosing such additional relationships.

25 10. The following are likely to render the majority of legal services to the Debtor:

26 DECLARATION OF MICHAEL J. GEARIN IN SUPPORT OF
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<u>Professional</u>	<u>Hourly Rate</u>
Michael J. Gearin (attorney)	\$425
David Neu (attorney)	\$335
Brian Lewis (attorney)	\$315
John Wilson (attorney)	\$230
Kjrsten Swan (paralegal)	\$150
Eric Simonson (attorney)	\$680
Kevin Gruben (attorney)	\$515

Other attorneys and professionals will provide services to the estate at hourly rates ranging from \$75 to \$750 per hour, subject to adjustments to reflect economic and other conditions, including increases in experience and expertise of members of the firm.

11. Within the 12 months preceding the Petition Date K&L Gates has provided Debtor with legal services rendered in contemplation of or in connection with this matter. The legal services rendered were similar to those set forth above in the description of professional services for which Debtor seeks to employ K&L Gates. The hourly rates charged for such legal services were substantially similar to those described above, and were reasonable in relation to the complexity of the issues, the experience of the attorney or staff providing such services, and the prevailing market rate for such services. The source of the funds to pay such invoices were from Debtor's normal operating budget. K&L Gates has no agreement or understanding concerning the sharing of compensation with any entity outside of the firm receiving compensation.

12. I have complied with the requirements for service or consent of the United States Trustee's office to submission of K&L Gates' application for employment pursuant to LBR 2014-1.

13. I certify that I am familiar with and have read Local Rule 2016-1, governing applications for compensation of professionals.

I declare under penalty of perjury under the laws of the State of Washington and the United States that the foregoing is true and correct to the best of my knowledge.

DECLARATION OF MICHAEL J. GEARIN IN SUPPORT OF
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SIGNED and DATED this 28th day of September, 2010 at Seattle, Washington.

/s/Michael J. Gearin
Michael J. Gearin

DECLARATION OF MICHAEL J. GEARIN IN SUPPORT OF
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OF K&L GATES - 7

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