

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

TAYLOR-WHARTON
INTERNATIONAL LLC,¹ et al.,

Debtors.

Chapter 11

Case No. 09- 14089 (BLS)
(Jointly Administered)

Hearing Date: January 6, 2010 at 9:30 a.m. (Eastern)
Objection Deadline: December 30, 2009 at 4:00 p.m. (Eastern)

**APPLICATION OF DEBTORS AND DEBTORS IN POSSESSION FOR AN ORDER
PURSUANT TO 11 U.S.C. §§ 327(a), 328, AND 329, FED. R. BANKR. P. 2014 AND 2016
AND DEL. BANKR. L. R. 2014-1 AND 2016-1 AUTHORIZING THE EMPLOYMENT AND
RETENTION OF REED SMITH LLP AS THEIR BANKRUPTCY COUNSEL
NUNC PRO TUNC TO THE PETITION DATE**

Taylor-Wharton International LLC (“TWI”), on its behalf and on behalf of its affiliated debtors and debtors in possession (collectively, the “Debtors”) respectfully submits this application (this “Application”) for entry of an order pursuant to 11 U.S.C. §§ 327(a), 328, and 329, Fed. R. Bankr. P. 2014 and 2016 and Del. Bankr. L.R. 2014-1 and 2016-1 authorizing the employment and retention of Reed Smith LLP as their bankruptcy counsel *nunc pro tunc* to November 18, 2009 (the “Petition Date”). In support of this Application, the Debtors rely on and incorporate by reference the Declaration of Leonard York in Support of Debtors’ Chapter 11 Petitions and First Day Motions, D.I. 16 (the “York Declaration”). In further support of this Application, the Debtors respectfully state as follows:

Jurisdiction And Venue

1. This Court has jurisdiction to consider the Application under 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number are: Taylor-Wharton International LLC (1577); TWI-Holding LLC (8154); Taylor-Wharton Intermediate Holdings LLC (6890); Alpha One Inc. (1392); Beta Two Inc. (1408); Gamma Three Inc. (1367); Delta Four Inc. (1320); Epsilon Five Inc. (1344); TW Cryogenics LLC (1713); TW Cylinders LLC (1665); Sherwood Valve LLC (1781); American Welding & Tank LLC (1945); and TW Express LLC (6414).

2. Venue of these cases and this Application are proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested herein are 11 U.S.C. §§ 327(a), 328, and 329, Fed.R.Bankr.P. 2014 and 2016, and Del.Bankr.L.R. 2014-1 and 2016-1.

Factual Background

4. On the Petition Date, the Debtors filed Voluntary Petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §101, *et seq.* (the “Bankruptcy Code”). No request has been made for the appointment of a trustee or examiner and the Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. As of the date hereof, no Official Committee of Unsecured Creditors has been appointed in the Debtors’ Chapter 11 cases.

5. The Court and the parties in interest herein are respectfully referred to the contemporaneously filed York Declaration for a more complete plenary discussion of the Debtors’ background and recitation of the facts supporting this application.

A. The Debtors’ Businesses

6. TWI is a Delaware limited liability holding company that wholly owns, through separate Delaware corporations, five distinct subsidiary limited liability companies, each of which is engaged in specific manufacturing operations generally engaged in the field of gas technology.

7. TWI acquired its various businesses from Harsco Corporation (“Harsco”) pursuant to an Asset and Stock Purchase Agreement dated as of November 27, 2007 (the “Asset Purchase Agreement”), pursuant to which TWI paid Harsco \$300 million in cash and agreed to pay up to an additional \$40 million on a contingent “earnout” basis, subject to various adjustments, including a traditional post-closing working capital adjustment.

8. Shortly after the closing of the transactions pursuant to which the Debtors acquired their assets from Harsco, the Debtors determined that they had significant claims against Harsco for breaches of representations and warranties which Harsco made under the Asset Purchase Agreement. These claims pertained to the nature and value of the assets which the Debtors had acquired from Harsco and also to the amount of the working capital adjustment to the purchase price for those assets. The Debtors thereafter commenced an arbitration proceeding against Harsco to realize on such claims and ultimately settled their dispute with Harsco over these issues in October 2009.

B. Pre-Petition Capitalization

9. As of the Petition Date, two levels of secured debt encumbered the Debtors' assets. The Debtors have \$73.9 million currently outstanding under a senior secured debt facility, in addition to 7.1 million of undrawn letters of credit (the "Senior Debt") pursuant to a Credit Agreement, dated as of December 7, 2007, originally by and among the Debtors, General Electric Capital Corporation as Agent ("GE"), Merrill Lynch Business Financial Services Inc., and The CIT Group/Business Credit Inc. The Debtors also have \$73.3 million outstanding on senior subordinated secured notes plus accrued interest (the "Mezzanine Debt") issued pursuant to the Note Purchase Agreement, dated as of December 7, 2007, by and among the Debtors, U.S. Bank National Association, as collateral agent and three other financial institutions.

10. As of the Petition Date, the Debtors had incurred an estimated \$13.5 million in unpaid trade debt to their suppliers and other vendors. The Debtors also have \$55 million of outstanding obligations pursuant to unsecured PIK Notes (the "Unsecured Notes") which are contractually subordinated in right of payment to the Senior Debt and the Mezzanine Debt and structurally subordinated to most of the Debtors' other creditors.

C. Terms Of The Debtors' Financial Restructuring

11. The terms of the Debtors' financial restructuring provide for the investment of \$12 million of new capital and the cancellation of an aggregate of \$120 million in debt as follows: (i) the Senior Debt will be restructured into a \$20 million revolving credit facility, a \$30 million Senior Term A Facility (collectively, "Term A Debt"), and a \$39 million Term B Facility ("Term B Debt"); (ii) the \$12 million of new capital will be invested as payment-in-kind debt (the "Investor PIK Debt"), which will be subordinate to the Term A Debt and *pari passu* with the Term B Debt; (iii) all of the Mezzanine Debt and Unsecured Notes will be cancelled; (iv) the holders of the Mezzanine Debt will receive the right to purchase not less than one-half of the principal amount of the Investor PIK Debt; (v) 7% of the Debtors' reorganized equity also will be issued pro rata to the holders of the Mezzanine Debt and the balance will be issued pro rata to the purchasers of the Investor PIK Debt, to be allocated as agreed among them; and (vi) substantially all of the Debtors' trade and other unsecured creditors will be paid or otherwise satisfied in full

12. The terms of this restructuring have been documented in a Restructuring Lock-Up Agreement between the Debtors and the holders of all of the Senior Debt and Mezzanine Debt (the "Lock-Up Agreement"). The Lock-Up Agreement provides that the parties have agreed to and will support the Debtors' proposed Plan of Reorganization, a draft version of which is being filed substantially contemporaneously herewith for informational purposes only. The Lock-Up Agreement further provides for the specific terms of the Debtors' Term A Facility, Term B Facility, Investor PIK Debt and LLC Operating Agreement to be entered into upon confirmation of the Plan, all as reflected in the agreements and other documents attached as exhibits to the Lock-Up Agreement. Finally, the Debtors have committed to file a draft disclosure statement and an

accompanying motion to schedule a hearing for its approval and related matters within the next five business days.

Relief Requested

15. By this Application, the Debtors respectfully request the entry of an Order pursuant to Sections 327(a), 328, and 329 of the Bankruptcy Court, Fed. R. Bankr. P. 2014 and 2016 and Del.Bankr.L.R. 2014-1 and 2016-1 authorizing them to employ and retain Reed Smith LLP (“Reed Smith”) as their attorneys under a general security retainer to perform the legal services that will be necessary during these Chapter 11 cases. Pursuant to Del. Bankr. L.R. 2014-1(b), the Debtors request that this Court approve this Application as of the Petition Date to compensate Reed Smith for work performed after the Petition Date, but prior to the entry of the order approving this Application.

Basis For Relief Requested

16. Reed Smith has represented the Debtors from their inception, including in connection with the Asset Purchase Agreement and the subsequent dispute and arbitration with Harsco that pertained thereto, and a variety of other matters. The Debtors seek to retain Reed Smith as their attorneys because of Reed Smith’s extensive experience with and knowledge of both the Debtors in particular and in cases under Chapter 11 of the Bankruptcy Code in general, and because Reed Smith’s appearance before this Court on applications, motions, and other matters in these Chapter 11 cases will be efficient and cost effective for Debtors’ estates. Accordingly, the Debtors believe that Reed Smith is well-qualified to represent them in these Chapter 11 cases in an efficient and timely manner.

17. Prior to the Petition Date, the Debtors also retained Reed Smith to advise and assist them in connection with various corporate matters and to provide legal advice to the Debtors in connection with, *inter alia*, matters concerning the Debtors’ financial difficulties, including a

possible restructuring of their financial affairs and capital structure and, ultimately to prepare documents and render legal advice related to the filing of these bankruptcy cases.

18. By virtue of its retention in connection with all of these matters, Reed Smith has become uniquely familiar with the Debtors' business affairs and various legal issues that may arise during these bankruptcy cases. Reed Smith has provided advice and assisted the Debtors in all aspects of their restructuring efforts and has been instrumental in the Debtors' efforts to address their financial difficulties and efforts in connection with filing these cases, including the negotiation and drafting of, *inter alia*, first-day motions and other pleadings necessary to facilitate the proper administration of these bankruptcy cases.

Services To Be Rendered

19. The professional services that Reed Smith, as general bankruptcy counsel, is expected to render to the Debtors includes, but shall not be limited to, the following:

- (a) to advise the Debtors of their rights, powers and duties as debtors and debtors in possession;
- (b) to take all necessary action to protect and preserve the Debtors' estates, including the prosecution of actions on the Debtors' behalf, the defense of any actions commenced against the Debtors, the negotiation of disputes in which the Debtors are involved and the preparation of objections to claims filed against the Debtors' estates;
- (c) to prepare on behalf of the Debtors all necessary motions, applications, answers, orders, reports and papers in connection with the administration of the Debtors' estates; and
- (d) to perform all other necessary legal services in connection with the Debtors' Chapter 11 cases.

Professional Compensation

20. The hourly rates of Reed Smith's attorneys and paralegals are set forth in the Unsworn Declaration Pursuant to 28 U.S.C. Section 1746(2) and Fed.R.Bankr.P. 2014(a) and 2016(b) of J. Andrew Rahl, Jr., Esquire, a Partner in Reed Smith LLP (the "Declaration"), which is attached as Exhibit 1 and incorporated by reference. Reed Smith has informed the Debtors that the

hourly rates set forth in the Declaration are standard rates that Reed Smith charges its bankruptcy and non-bankruptcy clients. These rates are set at a level designed to fairly compensate Reed Smith for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. It is Reed Smith's general policy to charge both its bankruptcy and non-bankruptcy clients for all out of pocket expenses incurred in connection with each client's case. The expenses generally charged to clients include, without limitation, teleconference charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. Reed Smith will charge the Debtors' estates for these expenses in a manner and at rates consistent with charges made generally to Reed Smith's bankruptcy and non-bankruptcy clients.

21. During the course of these cases, Reed Smith has informed the Debtors that it intends to apply to the Court for allowance of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Delaware Bankruptcy Local Rules, and orders of the Court.

**Reed Smith Is Disinterested And Does Not Hold Or Represent An
Interest Adverse To The Debtors' Estates**

22. The Debtors understand that except as otherwise set forth in the Declaration:
- (a) Neither Reed Smith nor any attorney at Reed Smith holds or represents an interest adverse to the Debtors' estates;
 - (b) Neither Reed Smith nor any attorney at Reed Smith is or was a creditor or an insider of the Debtors;
 - (c) Neither Reed Smith nor any attorney at Reed Smith is or was, within two years before the Petition Date, a director, officer or employee of the Debtors; and

- (d) Reed Smith does not have an interest materially adverse to the interest of the Debtors' 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.

23. To the best of the Debtors' knowledge, and except as set forth in the Declaration and this Application, Reed Smith has not represented the Debtors, their creditors, equity security holders, or any other parties-in-interest, or their respective attorneys, in any matters, related or unrelated to, the Debtors or their estates. Reed Smith has indicated that it has not, and will not, represent any creditor or other parties in interest in any matter relating to the Debtors or their estates. Accordingly, to the best of the Debtors' knowledge, Reed Smith does not hold or represent any interest adverse to Debtors' estates and Reed Smith is a "disinterested person" as that phrase is defined in Section 101(14) of the Bankruptcy Code.

24. Reed Smith has represented the Debtors in connection with a variety of matters since their inception in 2007. Since the start of 2009, Reed Smith has received compensation in the amount of \$1,681,191 from the Debtors for services other than services rendered in contemplation of, or in connection with, these bankruptcy cases. Attached to the Declaration as Exhibit C is a chart in ledger form setting forth all 2009 fee payments which Reed Smith received from the Debtors through the Petition Date, including payments for the services referred to above and payments of an additional \$1,324,173 in connection with services rendered in connection with the Debtors' financial restructuring and in contemplation of these bankruptcy cases.

25. Since November 1, 2009 Reed Smith has performed services and received compensation from the Debtors for services rendered, or to be rendered, in contemplation of, or in connection with, these bankruptcy cases and other matters. On November 17, in connection with those efforts and other matters, the Debtors paid Reed Smith the amount of \$346,821 to be held as a

general security retainer for the payment of professional fees and expenses incurred and charged by Reed Smith.

26. On November 17 and 18, 2009, Reed Smith applied \$294,351 of the retainer for pre-petition services. This amount represents a good faith estimate of the fees and expenses associated with all such services, including fees and expenses already recorded in Reed Smith's billing system and those not yet recorded in the system. Reed Smith will submit a reconciliation of the actual pre-petition fees and expenses in the near future. Any portion of such amount which, upon reconciliation, is not attributable to pre-petition fees and expenses, will be added to the retainer balance. The Debtors propose that the monies paid to Reed Smith and not expended for pre-petition services and disbursements be held by Reed Smith as security throughout the Chapter 11 cases until Reed Smith's fees and expenses are awarded by final order of the Court and are payable to Reed Smith.

27. The general security retainer is appropriate for several reasons in this case. First, these types of retainer agreements reflect normal business terms in the marketplace. See In re Insilco Technologies, Inc., 291 B.R. 628, 634 (Bankr. D. Del. 2003) ("the practice [of receiving security retainers] in this district has been engaged in since at least the early 1990's"). Second, Reed Smith and the Debtor are sophisticated business entities that have negotiated the retainer at arms' length. Finally, although the Debtors' post-petition financing arrangement provides a carve-out for professional claims (the "Carve-Out"), there is no assurance that the Carve-Out will be sufficient to pay the claims of all professionals. The Retainer secures Reed Smith fees and expenses for work performed in connection with the Chapter 11 Case. Accordingly, as the Debtors' bankruptcy counsel, even following the exhaustion of the Carve-Out, Reed Smith may still be required to perform services and incur expenses. Thus, under the standards articulated in the Insilco

decision, the facts and circumstances of these cases support the approval of the security retainer requested herein.

Notice

28. The Debtors will serve notice of this Motion upon (i) the Office of the United States Trustee; (ii) the Debtors' pre-petition and proposed post-petition lenders or their counsel; and (iii) the Debtors' thirty (30) largest unsecured creditors on a consolidated basis. In light of the nature of the relief requested, the Debtors submit that no other or further notice is necessary.

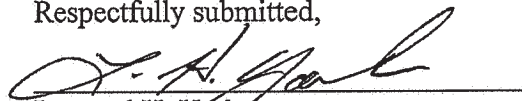
No Prior Request

29. No previous request for the relief sought in this Application has been made to this Court.

WHEREFORE, the Debtors respectfully request that this Court enter an order in the form annexed hereto as Exhibit 2 authorizing the Debtors to employ Reed Smith to represent the Debtors as counsel in these Chapter 11 bankruptcy cases on an hourly rate basis, plus properly reimbursable expenses, as an expense of administration, subject to approval by this Court.

Dated: November 19, 2009

Respectfully submitted,



Leonard H. York
Chief Financial Officer
Taylor-Wharton International LLC

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

TAYLOR-WHARTON
INTERNATIONAL LLC,¹ et al.,

Debtors.

Chapter 11

Case No. 09- 14089 (BLS)
(Jointly Administered)

Hearing Date: January 6, 2010 at 9:30 a.m. (Eastern)
Objection Deadline: December 30, 2009 at 4:00 p.m. (Eastern)

**NOTICE OF APPLICATION OF DEBTORS AND DEBTORS IN POSSESSION FOR AN
ORDER PURSUANT TO 11 U.S.C. §§ 327(a), 328, AND 329, FED. R. BANKR. P. 2014
AND 2016 AND DEL. BANKR. L. R. 2014-1 AND 2016-1 AUTHORIZING THE
EMPLOYMENT AND RETENTION OF REED SMITH LLP AS THEIR BANKRUPTCY
COUNSEL NUNC PRO TUNC TO THE PETITION DATE**

PLEASE TAKE NOTICE that on November 20, 2009, the above-captioned debtors and debtors in possession (collectively, the “Debtors”), by and through their proposed, undersigned counsel, filed the Application of Debtors and Debtors in Possession for an Order Pursuant to 11 U.S.C. §§ 327(a), 328, and 329, Fed.R.Bankr.P. 2014 and 2016 and Del.Bankr.L.R. 2014-1 and 2016-1 Authorizing the Employment and Retention of Reed Smith LLP as Their Bankruptcy Counsel *Nunc Pro Tunc* to the Petition Date (the “Application”).

You are required to file a response to the Application on or before **December 30, 2009 at 4:00 p.m. (Eastern)** (the “Objection Deadline”) with the Clerk of the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801.

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number are: Taylor-Wharton International LLC (1577); TWI-Holding LLC (8154); Taylor-Wharton Intermediate Holdings LLC (6890); Alpha One Inc. (1392); Beta Two Inc. (1408); Gamma Three Inc. (1367); Delta Four Inc. (1320); Epsilon Five Inc. (1344); TW Cryogenics LLC (1713); TW Cylinders LLC (1665); Sherwood Valve LLC (1781); American Welding & Tank LLC (1945); and TW Express LLC (6414).

At the same time, you must also serve a copy of the response so as to be received by that time by proposed counsel for the Debtors: (1) REED SMITH LLP, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (Facsimile: (302) 778-7575) (Attn: Mark w. Eckard, Esquire); and (2) REED SMITH LLP, 599 Lexington Avenue, 22nd Floor, New York, New York 10022 (Facsimile: (212) 521-5450) (Attn: J. Andrew Rahl, Esquire and Mark W. Silverschotz, Esquire).

A HEARING ON THE APPLICATION WILL BE HELD ON **JANUARY 6, 2010 at 9:30 a.m. (Eastern)** before the Honorable Brendan L. Shannon, United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Courtroom No. 1, Wilmington, Delaware 19801.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: November 20, 2009
Wilmington, Delaware

Respectfully submitted,

REED SMITH LLP

By: /s/ Mark W. Eckard
Mark W. Eckard (No. 4542)
1201 Market Street, Suite 1500
Wilmington, DE 19801
Telephone: (302) 778-7500
Facsimile: (302) 778-7575
E-mail: meckard@reedsmith.com

- and -

J. Andrew Rahl, Jr.
Mark D. Silverschotz
Han J. Ahn
599 Lexington Avenue
New York, NY 10022
Telephone: (212) 521-5400
Facsimile: (212) 521-5450
E-mail: arahl@reedsmith.com
msilverschotz@reedsmith.com
hahn@reedsmith.com

Proposed Counsel for Taylor-Wharton
International LLC, *et al.*, Debtors and
Debtors-in-Possession

EXHIBIT 1

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>TAYLOR-WHARTON INTERNATIONAL LLC¹, et al.,</p> <p style="text-align:center">Debtors.</p>	<p>Chapter 11</p> <p>Case No. 09-14089 (BLS) (Jointly Administered)</p> <p>RE: Docket No. _____</p>
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**UNSWORN DECLARATION PURSUANT TO 28 U.S.C. SECTION 1746(2)
AND FED. R. BANKR. P. 2014(a) AND 2016(b) OF J. ANDREW RAHL, JR., ESQUIRE,
A PARTNER IN REED SMITH LLP**

I, J. ANDREW RAHL, JR., ESQUIRE, declare as follows:

1. I am a partner in the law firm of Reed Smith LLP ("Reed Smith"). As such, I am duly authorized to execute this Declaration on behalf of Reed Smith.
2. I am an attorney at law and am a member in good standing of the bars of the State of New York and the United States District Court for the Southern and Eastern Districts of New York.
3. I submit this Declaration in support of the application of the above-captioned debtors and debtors-in-possession (the "Debtors") for an order approving the retention of Reed Smith as counsel to the Debtors pursuant to 11 U.S.C. §§ 327(a), 328 and 329, Fed. R. Bankr. P. 2014 and 2016 and Del. Bankr. L.R. 2014-1 and 2016-1 (the "Application").
4. Reed Smith believes that it has assembled a highly-qualified team of attorneys to

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number are: Taylor-Wharton International LLC (1577); TWI-Holding LLC (8154); Taylor-Wharton Intermediate Holdings LLC (6890); Alpha One Inc. (1392); Beta Two Inc. (1408); Gamma Three Inc. (1367); Delta Four Inc. (1320); Epsilon Five Inc. (1344); TW Cryogenics LLC (1713); TW Cylinders LLC (1665); Sherwood Valve LLC (1781); (1890); American Welding & Tank LLC (1945); and TW Express LLC (6414).

provide services to the Debtors during their reorganization efforts. Along with Mark D. Silverschotz, Esquire, I will coordinate the Reed Smith's representation of the Debtors in these cases. I have more than 35 years of experience in representing interested parties in Chapter 11 bankruptcy cases and related matters.

5. Other members of Reed Smith's Corporate Restructuring and Bankruptcy Group with varying levels of experience, and other lawyers at the Firm, will participate in the representation of the Debtors in these cases from time to time.

6. Reed Smith has assisted the Debtors in the preparation of these Chapter 11 cases, various first-day motions and other documents and pleadings. Accordingly, Reed Smith is well-suited to guide the Debtors through the Chapter 11 process.

7. Debtors have requested that the Firm render the following services in connection with these cases:

- a. to advise the Debtors of their rights, powers and duties as debtors and debtors in possession;
- b. to take all necessary action to protect and preserve the Debtors' estates, including the prosecution of actions on the Debtors' behalf, the defense of any actions commenced against the Debtors, the negotiation of disputes in which the Debtors are involved and the preparation of objections to claims filed against the Debtors' estates;
- c. to prepare on behalf of the Debtors all necessary motions, applications, answers, orders, reports and papers in connection with the administration of the Debtors' estates; and
- d. to perform all other necessary legal services in connection with the Chapter 11 Cases.

Subject to this Court's approval of the Application, Reed Smith is willing to serve as the Debtors' general bankruptcy counsel, to perform the services described above.

8. Except as otherwise set forth in this Declaration:

- a. Neither Reed Smith nor any attorney at Reed Smith holds or represents an interest adverse to the Debtors' estates;
- b. Neither Reed Smith nor any attorney at Reed Smith is or was a creditor or an insider of the Debtors;
- c. Neither Reed Smith nor any attorney at Reed Smith is or was, within two years before the Petition Date, a director, officer or employee of the Debtors; and
- d. Reed Smith does not have an interest materially adverse to the interest of the Debtors' 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.

9. To check and clear potential conflicts of interest in these cases, Reed Smith researched its client database, to determine whether Reed Smith has any "connections" since 2002 with the following: (a) the Debtors; (b) creditors identified on each Debtors' list of 20 largest creditors filed pursuant to Fed. R. Bankr. P. 1007(d); (c) the Debtors' officers; (d) the Debtors' board of directors; (e) the Debtors' pre-petition and post-petition senior secured lenders; (f) the Indenture Trustee with respect to the Unsecured Notes; and (g) equity holders with 5% or more of the equity in the Debtors. Attached hereto as Exhibit A is a list of such individuals and entities.

10. Except as provided in the chart attached as Exhibit B to this Declaration, and as stated in this Declaration, neither Reed Smith nor any attorney at Reed Smith have any "connections," as contemplated by Fed. R. Bankr. P. 2014(a), with the individuals or entities identified on Exhibit A.

11. All of the matters disclosed on Exhibit B are unrelated to the Debtors and these cases. Reed Smith believes that its representation of the entities (and certain of their affiliates) described on Exhibit B in matters unrelated to these cases has not and will not affect Reed Smith's representation of the Debtors in their Chapter 11 cases.

12. If an actual conflict arises between the Debtors and any entity listed in Exhibit A to the Declaration that is a client of the Firm at the time such conflict arises, the Firm will advise the Debtors of such circumstances and, to the extent necessary or appropriate, either seek a waiver from such entity or have the Debtors utilize conflicts counsel to handle such matter.

13. In accordance with its billing practices in both bankruptcy and non-bankruptcy matters, Reed Smith will bill at its standard hourly rates, plus office services, advances, and expenses, subject to the approval of the Court. Reed Smith periodically raises its hourly rates, usually in January, and anticipates that it will do so again in January 2010.

14. The regular hourly rates for Reed Smith's paralegals, associates, and partners in the United States are as follows: \$115 to \$365 for paralegals; \$320 to \$635 for associates and \$435 to \$1,100 for partners. The hourly rates for the paralegals and attorneys that will be primarily responsible for Reed Smith's representation of the Debtors, effective as of January 1, 2009, are as follows:

Paralegals:	John B. Lord - \$235 Lisa A. Lankford - \$145 Evan Jaffee - \$150
Associates:	Mark W. Eckard - \$360 Benjamin L. Brimeyer - \$470 Katherine Mathews - \$420 Han J. Ahn - \$425 Nina V. Ayer - \$335
Partners:	J. Andrew Rahl, Jr. - \$875 Mark. D. Silverschotz - \$710

15. As the bankruptcy cases proceed, other Reed Smith partners, associates and legal assistants may also work on these cases. To the fullest extent possible, lawyers having the requisite expertise who already have knowledge with respect to the matter or law at issue will be

assigned to these cases so that duplication of efforts is avoided. Consistent with the ranges of hourly rates described above, the hourly rates of the other Reed Smith partners, associates and paralegals that act for the Debtors may be higher or lower than those of the persons listed above.

16. The hourly rates set forth above are Reed Smith's regular hourly rates billed to and paid by existing bankruptcy and non-bankruptcy clients for work of this nature. These rates are set at a level designed to fairly compensate Reed Smith for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. In addition to the hourly rates, it is Reed Smith's policy to charge its clients in all areas of practice for most other expenses incurred in connection with the client's case, including, among other things, teleconference charges, mass mailing postage, messenger and express mail charges, special or hand delivery charges, document processing, photocopying charges, filing fees, travel expenses, expenses for "working meals," the catering of meetings and business meetings, computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime and late night transportation, where necessary to meet deadlines or client expectations. Reed Smith will charge the Debtors' estates for the expenses incurred by Reed Smith on behalf of the Debtors in a manner and at rates consistent with charges made to Reed Smith's other clients.

17. Reed Smith has represented the Debtors in connection with a variety of matters since their inception in 2007. Since the start of 2009, Reed Smith has received compensation in the amount of \$1,681,191 from the Debtors for services other than services rendered in contemplation of, or in connection with, these bankruptcy cases. Attached hereto as Exhibit C is a chart setting forth all 2009 fee payments which Reed Smith received from the Debtors through the Petition Date, including payments for the services referred to above and payments of an additional \$1,324,173 in connection with services rendered in connection with the Debtors' financial

restructuring and in contemplation of these bankruptcy cases.

18. On November 17, in connection with those efforts and other matters, the Debtors paid Reed Smith the amount of \$346,821 to be held as a general security retainer for the payment of professional fees and expenses incurred and charged by Reed Smith.

19. On November 17, and 18, Reed Smith applied a total of \$294,351 of the retainer for pre-petition services. This amount represents a good faith estimate of the fees and expenses associated with all such services, including fees and expenses already recorded in Reed Smith's billing system and those not yet recorded in the system. Reed Smith will submit a reconciliation of the actual pre-petition fees and expenses in the near future. Any portion of such amount which, upon reconciliation, is not attributable to pre-petition fees and expenses will be added to the retainer balance. The Debtors propose that the monies paid to Reed Smith and not expended for pre-petition services and disbursements be held by Reed Smith as security throughout the chapter 11 cases until Reed Smith's fees and expenses are awarded by final order and payable to Reed Smith.

20. Reed Smith has not shared or agreed to share any compensation received in these bankruptcy cases with any other person other than other attorneys with Reed Smith, and no promises have been received or made by Reed Smith or of its attorneys as to compensation in connection with these cases, other than in accordance with the provisions of the Bankruptcy Code.

21. By reason of the foregoing, I believe that Reed Smith is "disinterested," and does not hold or represent an interest adverse to the Debtors' estates, and is otherwise eligible for

employment and retention by the Debtors pursuant to 11 U.S.C. §§ 327 and 328 and
Fed.R.Bankr.P. 2014(a).

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: November 19, 2009 FOR REED SMITH LLP:

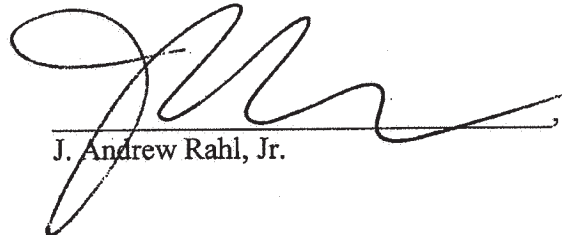

_____, Esquire
J. Andrew Rahl, Jr.

EXHIBIT A

Debtors:

Taylor-Wharton International LLC
TWI-Holding LLC
Taylor-Wharton Intermediate Holdings LLC
Alpha One Inc.
Beta Two Inc.
Gamma Three Inc.
Delta Four Inc.
Epsilon Five Inc.
TW Cryogenics LLC
TW Cylinders LLC
Sherwood Valve LLC
American Welding & Tank LLC
TW Express LLC

Senior Debt Holders³:

General Electric Capital Corporation
Denali Capital
New Star Financial
GE Capital Markets Inc.

Mezzanine Debt Holders:

Audax Group
Carlyle Mezzanine Partners
Partners Group Access 55

Agent/Trustee:

General Electric Capital Corporation
U.S. Bank National Association

Equity Holders with 5% or Greater Interest in the Debtors:

Wind Point Partners VI, L.P.
Partners Group Direct Investments 2006, L.P.
AFF Co-Invest, L.P.

Debtors' Directors and Executive Officers:

Bill Corbin, Chairman & CEO
Nathan Brown, Outside Director
Richard Kracum, Outside Director
Robert E. Gadomski, Former Outside Director & CEO

³ Affiliates of CIT and Merrill Lynch formerly were holders of Senior Debt but that no longer is the case; they have, however, retained small percentage interests in the Debtors' equity, which is less than 5% in each instance.

Sam Licavoli, Outside Director
Wayne Hinman, Outside Director
Joe Folger, Former CFO
Leonard York, CFO
Roland Wright, SVP Operations
Kenneth T. Totten, Controller
Bob Gerkens, General Counsel
Ed Hare, Planning Manager
Stuart Jara, President, Taylor-Wharton
Ted C. Reilly, VP and GM of American Welding & Tank
Hoyt Fitzsimmons
Mike Larsen
Roger Carlson
Mark Fleischer
Rick Shaffer
Denise MacIvor
Jim Rausch
Jerry Gilliam
Hussin Mohd
Andy Pazahanick
Mike Romano
Peter Yin
Mike Rollins
Dave Staskelunas

Debtors' Thirty Largest Creditors Identified Pursuant to Fed.R.Bankr.P. 1007(d):

Capitol Manufacturing
Commercial Metal Forming
Ecorse Machine
Engineered Controls Inc.
Heritage Propane (SPR Dale AR)
J&S Precision Products Company
K & K Screw
Kalkaska Screw
Kodel Corporation
Kohler Machine Prod
Marubeni Specialty Chemicals
Matt Title enterprises
Medidores Internacionales Roch
Monarch Steel of Alabama, Inc.
Nixon Peabody LLP Attorneys
Nucor Steel – Berkeley
Old Bridge Chemicals, Inc.
Orrco
Pacer Digital Systems, Inc.
Primary Steel LLC

S&B Machine Co. Inc.
Severstal Sparrows Point LLC
Sherwood Washington
Spaulding Composites, Inc.
Squibb Taylor, Inc.
Steel Technologies, Inc.
Thomas & Betts Corp.
TW Metals
Vollrath Co. Inc.
Worthington Cylinders Corp.

EXHIBIT B

1. General Electric Capital Corporation (“GE”) is the Agent for the Senior Debt holders and, together with its affiliates, holds a substantial majority of the Senior Debt. Reed Smith has represented and continues to represent GE and other affiliates of GE in a variety of matters which are not related to these cases. GE has waived the potential conflict of interest that would otherwise exist for Reed Smith with respect to these cases. The aggregate of all fees Reed Smith received from GE and such other affiliates in 2008 was less than one percent of Reed Smith’s total revenues.

2. The Debtors are affiliates of Wind Point Partners (“Wind Point”), an affiliate of whom in turn is their majority equity holder. Reed Smith has represented and continues to represent Wind Point and other affiliates of Wind Point in a variety of matters which are not related to these cases. Wind Point has waived the potential conflict of interest that would otherwise exist for Reed Smith with respect to these cases. The aggregate of all fees Reed Smith received from Wind Point and such other affiliates in 2008 was less than one percent of Reed Smith’s total revenues.

3. Denali Capital and NewStar Financial each hold small percentage interests in the Senior Debt. Reed Smith has acted as counsel to each of these institutions in the past on matters unrelated to these cases, but Reed Smith is not currently acting as counsel to either one.

4. Kalkaska Screw Products is one of the Debtors’ 30 largest unsecured creditors and also is a Reed Smith client. Fees which Reed Smith has received from this client have been de minimus.

5. U.S. Bank National Association (U.S. Bank) acts in a fiduciary capacity as Collateral Agent for the Mezzanine Debt, but is not a holder of any Mezzanine Debt. Reed Smith has represented and continues to represent U.S. Bank and its affiliates in a variety of matters which are not related to these cases. The aggregate of all fees Reed Smith received from U.S. Bank and its affiliates in 2008 was less than one percent of Reed Smith’s total revenues.

6. Other Reed Smith clients in matters not related to these cases, including affiliates of CIT and Merrill Lynch, formerly were holders of Senior Debt but no longer are; they have, however, retained small percentage interests in the Debtors’ equity, which are less than 5% in each instance.

EXHIBIT C

EXHIBIT C

YTD Fee Receipt Detail for Client: Taylor Wharton International LLC (CRL: Schmarak, Bradley)

Invoice Document	Receipt Date	Matter	Matter Name	Receipt Period	Code Cur	Total	Fees
1795640 723483	01/27/2009	329432.00001	General Corporate	0109	19-PAY USD	6,985.75	6,985.7
1808608 725676	03/10/2009	329432.00001	General Corporate	0309	19-PAY USD	845.25	845.2
1821585 727302	04/07/2009	329432.00001	General Corporate	0409	19-PAY USD	2,002.50	2,002.5
1832017 728531	04/27/2009	329432.00001	General Corporate	0409	19-PAY USD	10,205.50	10,205.5
1844349 730338	05/26/2009	329432.00001	General Corporate	0509	19-PAY USD	20,261.25	20,261.2
1859642 732247	06/29/2009	329432.00001	General Corporate	0609	19-PAY USD	5,640.00	5,640.0
1868294 732632	07/03/2009	329432.00001	General Corporate	0709	19-PAY USD	5,413.75	5,413.7
1882771 735713	09/21/2009	329432.00001	General Corporate	0909	19-PAY USD	1,848.50	1,848.5
1907158 735713	09/24/2009	329432.00001	General Corporate	0909	19-PAY USD	1,658.25	1,658.2
1907158 735713	09/30/2009	329432.00001	General Corporate	0909	19-PAY USD	-1,658.25	-1,658.2
1907158 735713	11/04/2009	329432.00001	General Corporate	1109	19-PAY USD	1,658.25	1,658.2
1907158 738630	11/03/2009	329432.00001	General Corporate	1109	19-PAY USD	4,861.55	4,861.5
1912893 739061	11/06/2009	329432.00001	General Corporate	1109	19-PAY USD	4,621.75	4,621.7
1795641 723483	01/27/2009	329432.00003	Post-Closing Transaction Work	0109	19-PAY USD	10,284.50	10,284.5
1808611 725676	03/10/2009	329432.00003	Post-Closing Transaction Work	0309	19-PAY USD	840.00	840.0
1821586 727302	04/07/2009	329432.00003	Post-Closing Transaction Work	0409	19-PAY USD	2,020.00	2,020.0
1831069 733159	07/14/2009	329432.00003	Post-Closing Transaction Work	0709	19-PAY USD	1,262.50	1,262.5
1844350 730338	05/26/2009	329432.00003	Post-Closing Transaction Work	0509	19-PAY USD	101.25	101.2
1795642 723483	01/27/2009	329432.00006	Working Capital and Cylinder C	0109	19-PAY USD	31,460.50	31,460.5
1808613 725676	03/10/2009	329432.00006	Working Capital and Cylinder C	0309	19-PAY USD	61,928.00	61,928.0
1821587 727658	04/07/2009	329432.00006	Working Capital and Cylinder C	0409	19-PAY USD	63,767.50	63,767.5
1831070 728531	04/27/2009	329432.00006	Working Capital and Cylinder C	0409	19-PAY USD	46,531.25	46,531.2
1844351 730338	05/26/2009	329432.00006	Working Capital and Cylinder C	0509	19-PAY USD	45,266.25	45,266.2
1858900 732247	06/29/2009	329432.00006	Working Capital and Cylinder C	0609	19-PAY USD	97,096.25	97,096.2
1868468 732632	07/03/2009	329432.00006	Working Capital and Cylinder C	0709	19-PAY USD	105,971.50	105,971.5
1883456 W082609B	08/26/2009	329432.00006	Working Capital and Cylinder C	0809	19-PAY USD	51,555.50	51,555.5
1894298 W090109A	08/31/2009	329432.00006	Working Capital and Cylinder C	0809	19-PAY USD	23,535.50	23,535.5
1907164 W100709E	10/07/2009	329432.00006	Working Capital and Cylinder C	1009	19-PAY USD	17,295.00	17,295.0
1831071 728531	04/27/2009	329432.00007	Post Closing Indemnity Claims	0409	19-PAY USD	31,493.00	31,493.0
1868469 732632	07/03/2009	329432.00007	Post Closing Indemnity Claims	0709	19-PAY USD	34,068.00	34,068.0
1883457 W082609B	08/26/2009	329432.00007	Post Closing Indemnity Claims	0809	19-PAY USD	151,430.00	151,430.0
1894299 W090109A	08/31/2009	329432.00007	Post Closing Indemnity Claims	0809	19-PAY USD	258,563.75	258,563.7
1907841 W100709E	10/07/2009	329432.00007	Post Closing Indemnity Claims	1009	19-PAY USD	216,870.25	216,870.2
1912892 W102309C	10/23/2009	329432.00007	Post Closing Indemnity Claims	1009	19-PAY USD	176,298.00	176,298.0
1920907 W111009A	11/10/2009	329432.00007	Post Closing Indemnity Claims	1109	19-PAY USD	78,264.75	78,264.7
1858901 732247	06/29/2009	329432.00008	Debt Restructuring	0609	19-PAY USD	73,263.75	73,263.7
1868385 732632	07/03/2009	329432.00008	Debt Restructuring	0709	19-PAY USD	139,133.25	139,133.2
1884656 W082709A	08/27/2009	329432.00008	Debt Restructuring	0809	19-PAY USD	160,278.00	160,278.0
1894300 W082809B	08/28/2009	329432.00008	Debt Restructuring	0809	19-PAY USD	47,468.75	47,468.7
1907842 W100709E	10/07/2009	329432.00008	Debt Restructuring	1009	19-PAY USD	32,899.25	32,899.2
1912884 W102309C	10/23/2009	329432.00008	Debt Restructuring	1009	19-PAY USD	85,843.00	85,843.0
1921595 W111009A	11/10/2009	329432.00008	Debt Restructuring	1109	19-PAY USD	288,589.75	288,589.7
1858903 732743	07/03/2009	329432.00009	Sale of SCI	0709	19-PAY USD	160.00	160.0
1883272 W082609B	08/26/2009	329432.00009	Sale of SCI	0809	19-PAY USD	0.00	0.0
1907843 739061	11/06/2009	329432.00009	Sale of SCI	1109	19-PAY USD	73,755.75	73,755.7
1912885 739061	11/06/2009	329432.00009	Sale of SCI	1109	19-PAY USD	30,389.50	30,389.5
Totals:						2,502,028.30	2,502,028.3

EXHIBIT 2

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: TAYLOR-WHARTON INTERNATIONAL LLC, ¹ et al., Debtors.	Chapter 11 Case No. 09-14089 (BLS) (Jointly Administered) Re: Docket No: _____
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ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF REED SMITH LLP AS DEBTORS' BANKRUPTCY COUNSEL PURSUANT TO 11 U.S.C. §§ 327(a), 328, AND 329, FED.R.BANKR.P. 2014 AND 2016 AND DEL.BANKR.L.R. 2014-1 AND 2016-1 NUNC PRO TUNC TO THE PETITION DATE

Upon consideration of the Debtors' Application for an Order Pursuant to 11 U.S.C. §§ 327(a), 328, and 329, Fed. R. Bankr. P. 2014 and 2016 and Del. Bankr. L.R. 2014-1 and 2016-1 Authorizing the Employment and Retention of Reed Smith LLP as Their Bankruptcy Counsel *Nunc Pro Tunc* to the Petition Date (the "Application"), and the Unsworn Declaration Pursuant to 28 U.S.C. Section 1746(2) and Fed.R.Bankr.P. 2014(a) and 2016(b) of J. Andrew Rahl, Jr., Esquire, a Partner in Reed Smith LLP (the "Declaration"), the Court finds that (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) venue of these cases and the Application are proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; (iv) notice of the Application and hearing was sufficient under the circumstances; and (v) upon the Declaration of Leonard York in Support

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number are: Taylor-Wharton International LLC (1577); TWI-Holding LLC (8154); Taylor-Wharton Intermediate Holdings LLC (6890); Alpha One Inc. (1392); Beta Two Inc. (1408); Gamma Three Inc. (1367); Delta Four Inc. (1320); Epsilon Five Inc. (1344); TW Cryogenics LLC (1713); TW Cylinders LLC (1665); Sherwood Valve LLC (1781); (1890); American Welding & Tank LLC (1945); and TW Express LLC (6414).

of Debtors' Chapter 11 Petitions and First Day Motions and the record herein, and after due deliberation, good and sufficient cause exists for the relief requested. Accordingly, it is hereby

ORDERED, ADJUDGED AND DECREED that:

1. The Application is hereby granted *nunc pro tunc* to November 18, 2009, as set forth herein.
2. Reed Smith represents no interest adverse to the Debtors or to their estates in the matters upon which Reed Smith is to be engaged and Reed Smith is disinterested within the meaning of 11 U.S.C. § 101(14).
3. Reed Smith's employment is necessary and would be in the best interests of the Debtors' estates, creditors, and other parties in interest.
4. Pursuant to 11 U.S.C. §§ 327(a), 328, and 329, Fed.R.Bankr.P. 2014(a) and 2016 and Del.Bankr.L.R. 2014-1 and 2016-1, the Debtor is authorized to employ and retain Reed Smith, as of the Petition Date,² to represent the Debtors in the above-captioned bankruptcy cases under Chapter 11 of the Bankruptcy Code.
5. Pursuant to 11 U.S.C. § 328(a), Reed Smith's hourly rates for its paralegals and attorneys set forth in the Declaration are approved as reasonable.
6. The pre-petition retainer monies paid to Reed Smith and not expended for pre-petition services and disbursements shall be held by Reed Smith as a general retainer as security throughout the Debtors bankruptcy cases until final fees and expenses are awarded and payable to Reed Smith on a final basis.

² Unless otherwise indicated, capitalized terms contained herein shall have the meaning ascribed to them in the Application.

7. Reed Smith shall be compensated in accordance with the applicable provisions of the Bankruptcy Code (including, without limitation, Sections 330 and 331), the Bankruptcy Rules, the Local Rules, the United States Trustee Fee Guidelines, and any other orders entered in these cases governing professional compensation and reimbursement for services rendered and charges and disbursements incurred.

8. Reed Smith is authorized to apply the amounts presently held as a retainer against its post-petition fee application in accordance with orders of this Court.

Dated: November ____, 2009

The Honorable Brendan L. Shannon