

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

In re:	)	
	)	
<b>JEFFERSON COUNTY, ALABAMA,</b>	)	<b>Case No. 11-05736-TBB9</b>
<b>a political subdivision of the State of</b>	)	
<b>Alabama,</b>	)	<b>Chapter 9</b>
	)	
<b>Debtor.</b>	)	

**SUPPLEMENTAL AFFIDAVIT OF CAROL SUE NELSON,**  
**JEFFERSON COUNTY ATTORNEY**

Before me, the undersigned notary, personally appeared Carol Sue Nelson who, first being duly sworn, deposes and says:

1. My name is Carol Sue Nelson. I am over 19 years of age and have personal knowledge of the matters set forth herein.

2. This affidavit supplements my affidavit executed November 15, 2013, which was filed and admitted as County Exhibit C.421 (the "Original Affidavit") in support of confirmation of the County's Chapter 9 Plan of Adjustment dated November 6, 2013 (the "Plan").<sup>1</sup> This affidavit incorporates the Original Affidavit by reference.

3. From November 9, 2011 to the present, the County has paid the following fees and expenses in this Case or incident to its Plan:

- a. Bradley Arant Boult Cummings LLP (bankruptcy and litigation counsel):
  - i. Fees: \$8,246,104.34
  - ii. Expenses: \$293,781.90

<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the meaning provided in the Original Affidavit.



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- b. Klee, Tuchin, Bogdanoff & Stern LLP (bankruptcy and litigation counsel):
  - i. Fees: \$10,107,903.50
  - ii. Expenses: \$203,998.69
- c. Balch & Bingham LLP (securities and bond counsel):
  - i. Fees: \$2,684,593.34
  - ii. Expenses: \$37,965.90
- d. Galardi Rothstein Group (rate consultant and trial expert):
  - i. Fees and expenses: \$536,351.98
- e. Percy Consulting, LLC (trial expert):
  - i. Fees and expenses: \$305,500.50
- f. Kurtzman Carson Consultants, LLC (noticing and balloting agent):
  - i. Fees and expenses: \$731,079.54
- g. Warren Averett LLC (forensic accounting services):
  - i. Fees and expenses: \$227,689.45
- h. Public Resource Advisory Group (financial advisor):
  - i. Fees and expenses: \$37,587.50
- i. Rick Journey 360 LLC and Wilbron Institute LLC (public relations consultants):
  - i. Fees and expenses: \$311,615.27
- j. Presley Burton & Collier, LLC (special securities and tax counsel):
  - i. Fees and expenses: \$178,742.10
- k. CH2M Hill (engineering and consulting services):
  - i. Fees and expenses: \$537,289.01
- l. Jams, Inc. (appellate litigation consultant):

- i. Fees and expenses: \$27,862.95
- m. Public Financial Management, Inc. (financial analyst and advisor):
  - i. Fees and expenses: \$405,581.52
- n. Nexsen Pruet, LLC (appellate litigation consultant):
  - i. Fees and expenses: \$23,362.85
- o. Stephanie Yates Rauterkus, PhD (demographic and financial analyst regarding rate structure):
  - i. Fees and expenses: \$27,412.50
- p. Dr. Lowell Broom (accounting expert):
  - i. Fees and expenses: \$19,275.00
- q. Renew Data (e-discovery services):
  - i. Fees and expenses: \$127,081.17
- r. Raftelis Financial Consultants, Inc. (sewer finance and management consultant):
  - i. Fees and expenses: \$4,130.03

4. I have reviewed the invoices for services and expenses described herein. The County, in the exercise of its political and governmental powers over its property and revenues, has paid the fees and expenses described herein on a regular basis during the Case. In my experience and opinion, and based upon my consultation with the County's other professionals, in light of the nature, extent, and value of services to the County and because of the magnitude and complexity of the Case, all amounts paid by the County for fees and expenses in the Case or incident to the Plan (including amounts for professional fees and services) are reasonable.

5. I anticipate the County will make payment for the following services and fees in this Case or incident to the Plan:

- a. Kurtzman Carson Consultants, LLC (“KCC”):
- i. I expect the County will pay KCC’s most recent invoice in the amount of \$77,387.10 for services rendered in October 2013.
  - ii. Without limitation, I expect KCC will spend significant time on the following tasks in November 2013: maintaining a public access website, maintaining the claims register, service of general case pleadings, handling creditor inquiries related to solicitation and confirmation, prepare final voting certifications: Anticipated fees: \$115,000.
  - iii. Without limitation, I expect KCC will spend significant time on the following tasks during December 2013: maintaining a public access website, maintaining the claims register, assisting with processing or making Distributions on account of Sewer Debt Claims under the Plan, service of general case pleadings, and assisting with claims reconciliation and analysis. Anticipated fees: \$90,000.
  - iv. Without limitation, I expect KCC will spend significant time on the following tasks during 2014: maintaining a public access website, maintaining the claims register, service of general case pleadings, and assisting with claims reconciliation and analysis. Anticipated fees: \$171,000.

6. With respect to the exchange of the County’s General Obligation Warrants, Series 2001-B under the Plan (the “Exchange”), I expect the following payments will be made by the County or by other persons:

- a. Fitch, Inc. (rating services)<sup>2</sup>: \$35,000
- b. Balch & Bingham, LLP (bond and disclosure counsel): \$95,000
- c. UMB Bank, N.A. (warrant trustee): \$25,000
- d. Reed Smith LLP (warrant trustee counsel): \$45,000
- e. The Birmingham News (publishing): \$261

7. Among other things, the Exchange is large and complex, arises in a municipal bankruptcy, and must be handled on an expedited basis to coordinate with confirmation of the Plan. In my experience and opinion, and based upon my consultation with the County's other professionals, in light of the nature, extent, and value of services to the County and because of the magnitude and complexity of the Case and the Exchange, the amounts to be paid by the County for fees and expenses with respect to the Exchange (including amounts for professional fees and services) are reasonable.

8. As County Attorney, I have ensured and will continue to ensure that the amounts paid by the County for services and expenses in the Case or incident to the Plan are reasonable and necessary for and beneficial to the County's debt adjustment efforts. Thus far, the amounts paid by the County for services and expenditures incurred in the Case or incident to the Plan have been reasonable, necessary, and in the best interests of the County. All currently proposed services are similarly reasonable and necessary to the County's successful debt adjustment, and will be beneficial to the County.

9. I have no knowledge of any amounts paid or anticipated to be paid by the County or by any other person for professional services and expenses in the Case or incident to the Plan other than those disclosed and referenced in the Original Affidavit and herein. I have no

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<sup>2</sup> Fitch will receive maximum compensation of \$135,000 for rating services incident to Exchange and Transactions.

knowledge of any material amounts paid or anticipated to be paid by the County or by any other person for any other services and expenses in the Case or incident to the Plan other than those disclosed and referenced in the Original Affidavit, the County's *Notice of Public Hearing* published on November 10, 2013 in *The Birmingham News* (and admitted as County's Exhibit C.378), and herein.

FURTHER AFFIANT SAYETH NOT.

***(VERIFICATION ON FOLLOWING PAGE)***

VERIFICATION

STATE OF ALABAMA )  
 :  
 JEFFERSON COUNTY )

Before me, a notary public in and for said county in said state, personally appeared Carol Sue Nelson, who, being by me first duly sworn, deposes and says on oath that he has read the foregoing Affidavit and is informed and believes and, upon the basis of such information and belief, avers that the facts alleged therein are true and correct.

Carol Sue Nelson  
[NAME]

2013.

Subscribed and sworn to before me this 21<sup>ST</sup> day of NOVEMBER

Kelly P. Barnes  
Notary Public



My commission expires: NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: Mar 9, 2016  
BONDED THRU NOTARY PUBLIC UNDERWRITERS