

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

IN RE:)	Chapter 11
)	
OAKWOOD HOMES CORPORATION,)	Case No. 02-13396 (PJW)
<u>et al.</u> ,)	
Debtors.)	Jointly Administered
)	
)	Objections Due: January 17, 2003 @ 4:00 p.m.
_____)	Hearing Date: February 18, 2003 @ 3:00 p.m.
)	(if necessary)

**DEBTORS' APPLICATION FOR AUTHORIZATION TO RETAIN
AND EMPLOY BRANDON CHRISTIE AS AIRCRAFT BROKER, NUNC PRO TUNC
TO DECEMBER 20, 2002**

Oakwood Homes Corporation and its affiliates, debtors and debtors in possession (collectively, the "Debtors") hereby apply to the Court for the entry of an order authorizing them, pursuant to section 327 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (the "Bankruptcy Code"), and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to retain and employ Brandon Christie ("Christie"), nunc pro tunc to December 20, 2002, as the Debtors' exclusive broker in connection with the potential disposition of a certain aircraft. In support of this Application, the Debtors: (i) submit the Declaration of Brandon Christie (the "Declaration"), which is attached hereto as Exhibit A and incorporated herein by reference; and (ii) respectfully represent as follows:

Introduction

1. On November 15, 2002 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtors are operating their respective businesses, as debtors in possession, pursuant to sections 1107 and

1108 of the Bankruptcy Code.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. The statutory predicates for the relief sought herein are sections 105, 327, 328, 330 and 331 of the Bankruptcy Code, and Bankruptcy Rules 2014 and 2016.

4. On December 2, 2002, the United States Trustee appointed an Official Committee of Unsecured Creditors (the "Committee"). No trustee or examiner has been appointed in these cases.

5. Debtor Oakwood Homes Corporation ("Oakwood") was incorporated in North Carolina in 1971 and currently maintains offices in Greensboro, North Carolina. Oakwood is a publicly traded company. Until recently, its common stock traded on the New York Stock Exchange under the symbol "OH". Effective November 15, 2002, the New York Stock Exchange suspended trading in Oakwood common stock and began proceedings to delist the stock from the exchange. Oakwood, along with its debtor and non-debtor affiliates and subsidiaries, are in the business of designing, manufacturing, marketing and financing manufactured and modular homes. Oakwood, through a non-debtor subsidiary, also provides a variety of insurance products to its customers.

6. For over three years, Oakwood and its related entities have undertaken specific, proactive efforts designed to counter the deteriorating financial performance. The Debtors developed a strategy to reduce overhead and create and improve their cash flow. The principal element of these efforts was a contraction of operations from a peak of over 425 sales centers and 34 plants to the current planned 119 sales centers and 14 plants. Additionally, the

Company aggressively cut costs, tightened underwriting standards, deferred capital spending wherever practicable and embarked on a significant inventory reduction program.

7. Outside of bankruptcy, the Debtors have been unable to accomplish all the restructuring needed due to its current high debt load, poor operating performance in certain geographic markets, high credit losses coupled with subordination of the loan servicing revenue. The Debtors have been negotiating for an extended period of time with their principal lenders and largest bondholder to develop a consensual, pre-negotiated bankruptcy process designed to allow the Debtors to emerge as a leaner, profitable enterprise.

8. Holders of approximately 39% of the combined value of (a) Oakwood Home Corporation's \$303 million face value of senior unsecured debt and (b) the net present value, as described above, of future payment obligations under the Company's guarantees of principal and interest on \$275 million face value of subordinated B-2 REMIC securities, have agreed to a non-binding termsheet detailing their treatment in a Chapter 11 Plan, subject to (a) evidence satisfactory to the Holders that the financial information previously provided to them is correct (b) acceptable financing during the pendency of the bankruptcy proceeding.

The Need to Retain Broker

9. Debtor Oakwood currently owns a 1988 Beechcraft King Air Model 8200 aircraft (the "Property"). Until recently, Oakwood had been using the Property in the ordinary course of business to support senior management travel requirements. Prior to the Petition Date, in an effort to address their operational and financial problems, the Debtors undertook several initiatives to improve the efficiency of their businesses, including the disposition of unnecessary assets with burdensome carrying costs. Due to the significant carrying costs of the Property, the Debtors determined that they should sell the Property, and on December 20, 2002, the Debtors

engaged Christie to market and sell the Property, subject to the approval of this Court.

10. Given their restructuring and current operational needs, the Debtors have determined that they no longer need the Property and that it is in the best interests of their estates and creditors to sell or lease the Property. Accordingly, the Debtors propose to hire Christie to market and identify prospective purchasers or lessees for the Property.

Request for Authority to Retain and Employ Christie

11. The Debtors desire to retain and employ Christie as their exclusive agent and broker for the purposes of marketing and selling or leasing the Property, pursuant to section 327 of the Bankruptcy Code. The Debtors propose to employ Christie as broker in accordance with an Exclusive Sales Agreement (the "Engagement Agreement"). The Engagement Agreement is attached hereto as Exhibit B and incorporated herein by reference. The Engagement Agreement describes the services to be performed and related fee structure to be charged in connection with the sale or lease of the Property. The Debtors seek authority to employ Christie in these cases on the terms and subject to the conditions described below and in the Engagement Agreement, nunc pro tunc to December 20, 2002.

Christie's Qualifications

12. Christie is particularly well-suited to serve as the Debtors' broker with respect to the Property. Christie currently works as an independent aircraft sales consultant. Christie has 10 years of experience in aircraft sales, most recently as an Area Sales Manager, Citation Bravo Division, for the Cessna Aircraft Company. Moreover, Christie is abundantly familiar with the market for the Property.

13. Furthermore, Christie has significant experience representing buyers and sellers for aircraft throughout the Southeast. Christie is also familiar with the Debtors and the

Property and is well qualified to provide the services required by the Debtors and has developed significant, relevant experience and expertise regarding the Property that will assist him in providing the services contemplated.

Services to Be Provided by Christie

14. The Debtors anticipate that Christie will render brokerage services to the Debtors in connection with the Property. In particular, the services to be performed on behalf of the Debtors include, among other services:

- (a) advertising the Property through promotional and marketing activities;
- (b) making the Property known to, and solicit the active cooperation of, other brokers who specialize in dealing with similar properties;
- (c) investigating all inquiries or offers with respect to the Property that are received by, or directed to, Christie;
- (d) negotiating a sale of the Property; and
- (e) taking such further reasonable steps as, in Christie's judgment, will enhance the prospective sale or lease of the Property.

15. The Debtors require a knowledgeable and experienced broker to render these services and obtain the maximum value for the Debtors' estates and creditors. As noted above, Christie has substantial expertise in aircraft sales.

Payment of Fees and Expenses

16. Pursuant to the Engagement Agreement, and subject to the Court's approval, Christie will earn a commission based upon any transaction that includes the sale of the Property, regardless of whether such sale or lease is arranged by Christie. The Engagement Agreement provides that the amount of the commission earned will be three percent (3%) of the

total consideration received by the Debtors. If the Property is sold, the commission shall be based upon the gross sale, exchange or transfer of value for the Property.

17. No retainer has been paid to Christie for its services under the Engagement Agreement or any other agreement.

18. Due to the nature of his services and the fact that Christie will not be compensated by the Debtors unless and until a transaction involving the Property is consummated pursuant to an order of this Court, the Debtors propose that Christie be paid his commission in accordance with the Engagement Agreement at the time such commission becomes due and without further order of the Court. This Court and other courts in this district have also approved similar relief. See, e.g., In re Inacom Corp., No. 00-2426 (PJW) (Bankr. D. Del. Aug. 16, 2000); In re The Cosmetic Center, Inc., No. 99-888 (PJW) (Bankr. D. Del. Aug. 26, 1999); In re Access Beyond Technologies, Inc., No. 98-2276 (MFW) (Bankr. D. Del. Feb. 2, 1999).¹

Disclosure Concerning Conflicts of Interest

19. To the best of the Debtors' knowledge, information and belief, other than in connection with his proposed engagement as aircraft broker, Christie does not have any connection with the Debtors, their creditors, the U.S. Trustee or any other party with an actual or potential interest in these Chapter 11 cases or their respective attorneys or accountants, except as described below or in paragraph 22:

(a) Christie is not employed by, and has not been employed by, any entity other than the Debtors in matters related to these Chapter 11 cases.

¹ Copies of these unreported orders are available from Debtors' counsel upon request.

(b) The Debtors do not owe Christie any amount for services performed prior to the Petition Date.

(c) From time to time, Christie has provided services, and likely will continue to provide services, to certain creditors of the Debtors and various other parties adverse to the Debtors in matters unrelated to these Chapter 11 cases. As described below, however, Christie has undertaken a detailed search to determine, and to disclose, whether they are providing services, or have provided services during the last five years, to any significant creditors, equity security holders, insiders or other parties in interest in such unrelated matters.

(d) Christie provides services in connection with numerous cases, proceedings and transactions unrelated to these Chapter 11 cases. These unrelated matters involve numerous attorneys, financial advisors and creditors, some of which may be claimants or parties with actual or potential interests in these cases or may represent such parties.

(e) Personnel employed by Christie may have business associations with certain creditors of the Debtors unrelated to these Chapter 11 cases. In addition, in the ordinary course of his business, Christie may engage counsel or other professionals in unrelated matters who now represent, or who may in the future represent, creditors or other interested parties in these cases.

20. To check and clear potential conflicts of interest in these cases, Christie has researched his client database at work to determine whether he has any relationships with the following entities (collectively, the “Interested Parties”):

(a) the Debtors and their nondebtor affiliates;

- (b) the Debtors' directors and officers and certain of their major business affiliations;
- (c) each of the Debtors' largest unsecured creditors on a consolidated basis, as identified in their Chapter 11 petitions;
- (d) other material trade creditors, lessors and licensors of the Debtors;
- (e) parties to joint ventures and other material contracts with the Debtors;
- (f) parties to significant litigation with the Debtors;
- (g) the attorneys and other professionals that the Debtors have identified for employment in these Chapter 11 cases in applications filed after the Petition Date;
- (h) the Debtors' material secured lenders;
- (i) the Debtors' postpetition lenders and their professionals;
- (j) the members of the Creditors' Committee, their counsel and other professionals that the Creditors' Committee has sought to retain in these Chapter 11 cases;
- (k) the Debtors' material unsecured bank and noteholder lenders and their professionals;
- (l) the United States Trustee; and
- (m) other significant parties in interest.

The identities of the Interested Parties were provided to Christie by the Debtors. To the extent that Christie's client database research indicated that Christie has provided services during the past five years, or currently are providing services, to any of the Interested Parties in matters

unrelated to these Chapter 11 cases, the identities of these parties are set forth on Schedule 1 to the Declaration.

21. Despite the efforts described above to identify and disclose the connections between Christie and the parties in interest in these cases, because the Debtors are a large enterprise with thousands of creditors and other relationships, Christie is unable to state with certainty that every client representation or other connection with Christie has been disclosed. In this regard, if Christie discovers additional information that requires disclosure, Christie will file supplemental disclosures with the Court as promptly as possible.

22. To the best of the Debtors' knowledge, information and belief, Christie (a) is not related to the Debtors, their creditors, the United States Trustee, anyone employed in the United States Trustee's office or any other party in interest in these cases; or (b) has no connection with and does not hold or represent any interest adverse to the Debtors, their estates, their creditors or any other party in interest or their respective attorneys in the matters for which Christie is proposed to be retained. Accordingly, the Debtors believe that Christie is a "disinterested person," as defined in section 101(14) of the Bankruptcy Code and as required by section 327(a) of the Bankruptcy Code. The Debtors submit that their employment of Christie would be in the best interests of the Debtors and their respective estates and creditors. The Debtors' knowledge, information and belief regarding the matters set forth herein are based, and made in reliance upon, the Declaration.

Notice

23. No trustee or examiner has been appointed in these Chapter 11 cases. Notice of this Application has been given to (a) the United States Trustee, (b) counsel to the Committee, (c) the Debtors' principal prepetition and postpetition lenders, and (d) the other

parties on the general service list being maintained in these cases. In light of the nature of the relief requested in this Application, the Debtors submit that no other or further notice is required.

No Prior Request

24. No prior application for the relief sought herein has been made to this Court or any other court.

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WHEREFORE, the Debtors respectfully request that this Court enter an Order, in substantially the form annexed hereto as Exhibit C, authorizing the Debtors to retain and employ Brandon Christie, effective as of December 20, 2002, to represent them as set forth in this Application and granting such other and further relief as the Court deems just and equitable.

Dated: December 30, 2002
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL

/s/ Michael G. Busenkell

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