

DOCKET NO: HHD-CV-08-4036150-S : SUPERIOR COURT  
STATE OF CONNECTICUT : JUDICIAL DISTRICT OF  
HARTFORD  
v. : AT HARTFORD  
F & S OIL COMPANY, INC., CARLSON :  
FUEL OF MERIDEN, INC., CARLSON FUEL :  
OIL, INC., VILLAGE OIL, INC., U.S. FUELS, :  
LLC, AND BOSSE GRAZIANO OIL COMPANY : MARCH 27, 2008

**RECEIVER'S APPLICATION FOR NUNC PRO TUNC  
AUTHORITY TO EMPLOY COUNSEL**

Carlton E. Helming, CPA and the firm of Helming & Company, P.C. (collectively the "Receiver"), court-appointed receiver of F&S Oil Company, Inc. (the "Company") and its subsidiaries, affiliates and related entities including Carlson Fuel of Meriden; Carlson Fuel Oil, LLC; Village Oil, Inc.; U.S. Fuels, LLC, and Bosse Graziano Oil Company (collectively the "Subsidiaries"), hereby applies for authority to employ and retain the law firm of Day Pitney, LLP ("Day Pitney") as counsel for the Receiver for services rendered and to be rendered during the pendency of these proceedings. In support of this Application, the Receiver states as follows:

1. On March 14, 2008, the Connecticut Superior Court, Judicial District of Hartford at Hartford (the "Receivership Court"), appointed the Receiver in the above-referenced receivership proceeding (the "Proceeding").

2. Pursuant to Paragraph 2(k) of this Court's Order dated March 14, 2008 appointing the Receiver, the Receiver is authorized to retain independent counsel in connection with this matter.

3. In connection with its duties, the Receiver consulted with Day Pitney, located at 242 Trumbull Street, Hartford, Connecticut, 06103, regarding the Proceeding, and Day Pitney agreed to represent the Receiver subject to conflict clearance and the Receivership Court's approval of this Application and the Retention Agreement, attached hereto as Exhibit A.

4. Day Pitney is experienced in matters of this nature and has the resources to effectively manage this case. Day Pitney has previously represented receivers in proceedings in the courts of the State of Connecticut, the State of New Jersey and the State of Delaware and has a varied national practice in matters relating to fiduciary service, insolvency, restructuring, bankruptcy and liquidation.

5. The Receivership Court should authorize the Receiver to employ Day Pitney herein because of the variety and complexity of the services that will be required throughout the Proceeding and the resources required to meet the exigent demands of this case.

6. The Receiver chose Day Pitney as its attorneys because of their reputation in, experience with, and knowledge of, *inter alia*, receivership and related laws, insolvency law,

restructuring and liquidation. The Receiver believes Day Pitney is well qualified to represent it in this Proceeding.

7. The Receiver requires the assistance of counsel in order to execute faithfully its mandates as Receiver in this Proceeding. As counsel to the Receiver, Day Pitney will assist the Receiver in taking all necessary actions to administer the case, to protect and preserve the assets in receivership, to negotiate with creditors and other parties in interest, to advise the Receiver in connection with the Proceeding, to prepare a strategy for asset liquidation and disclosure, to prepare necessary pleadings, to appear at court hearings and to provide legal services and investigations incidental to this Proceeding.

8. Day Pitney has indicated its willingness to act as counsel on behalf of the Receiver on the terms contained herein and in the attached Retention Agreement. In light of the exigencies of the case and to assist the Receiver in the formulation of plans, priorities and strategies, Day Pitney has rendered critical legal services since March 16, 2008. The case sensitivities, dynamics and lack of information has made it imprudent to file this Application prior to this date.

9. Day Pitney neither represents nor holds any interest adverse to the Receiver, the Company or the Subsidiaries in matters upon which the Receiver seeks to employ Day Pitney. Day Pitney's conflicts disclosure review in relation to this matter is attached hereto as Exhibit B.

10. Day Pitney will, from time to time during the pendency of this matter, do further review of potential conflicts, will seasonably disclose the same to the Receiver and to this Court and will take such additional action as the Receivership Court deems appropriate.

11. Accordingly, the Receiver believes that the employment of Day Pitney is in the best interest of the Receiver, the Company and all other interested parties.

12. While retained to represent the Receiver, after consultation with the Receiver and other interested parties, Day Pitney and the Receiver have agreed to structure this representation in phases, responsive to the priorities, limited resources and objectives of the Receiver. These phases are as follows:

PHASE I:

Representation of and advise to the Receiver on the management and stabilization of the business, including but not limited to: crisis management, asset and liability marshalling, budgeting, record retention, coordinated communications with governmental agencies, constituents and the public, notices and implementation of the Receiver's general rights, duties and responsibilities and related court appearances, reports and filings.

PHASE II:

Construction of and implementation of asset disposition programs, bid procedures, disclosures, review of loan documents, lien and major transactional documents, sale documents, due diligence, structuring an auction process, negotiations and related court appearances and filings; implementation of any program for creditor and consumer claims.

PHASE III:

Sale and other disposition of residual assets (i.e., biodeisel plant assets and storage tanks) and such investigations, record retention and examination of rights, claims and potential civil or criminal causes of actions, as the Receivership Court deems appropriate.

PHASE IV:

Development, filing and prosecution of such rights, claims and potential civil or criminal causes of action as the Receivership Court deems appropriate, upon recommendation of the Receiver and Day Pitney, or assisting the Receiver in developing RFPs or other case management tools reasonable or advisable to effectuate the Receiver's mandates. Finalize any treatment of creditors and consumers.

As both the priorities of the Receiver and the resources to complete all the phases of this engagement are predicated upon the development, approval and funding of appropriate budgets and, where appropriate, cooperation with governmental agencies, it is fair, reasonable and prudent to proceed incrementally and cost-effectively through each Phase of the engagement, with and under the direction of the Receivership Court.

13. By this Application, the Receiver also seeks authority for Day Pitney to file interim applications, from time to time, for payment of their fees and reimbursement of their expenses incurred in connection with their representation of the Receiver in this case. A copy of the hourly rates charged by the Day Pitney team likely to work on this matter is attached hereto as Exhibit C. Day Pitney has, responsive to the equities and nature of this proceeding, committed to a blended hourly rate of \$375, over the course of this engagement, based on averaging the rates of all partners, associates and paralegals deployed in this matter.

WHEREFORE, the Receiver requests that the Receivership Court:

1. Enter an order that approves this Motion and authorizes the Receiver to employ Day Pitney, LLP as counsel *nunc pro tunc* to March 16, 2008; and

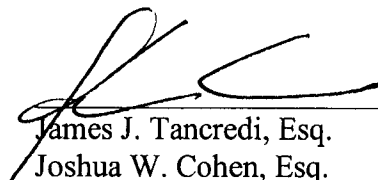
2. Enter an order authorizing Day Pitney, LLP to file interim applications from time to time for payment of their fees and reimbursement of their expenses incurred in connection with their representation of the Receiver in this Proceeding; and

3. Grant such other and further relief as is just.

Dated this 27th day of March, 2008.

CARLTON E. HELMING, CPA &  
THE FIRM OF HELMING & COMPANY, P.C.  
RECEIVER F & S OIL CO. INC., ET AL

BY:



James J. Tancredi, Esq.

Joshua W. Cohen, Esq.

Douglas R. Van Valkenburg, Esq.

Day Pitney LLP

Legal Counsel To The Receiver

242 Trumbull Street

Hartford, Connecticut 06103-1212

Tel: (860) 275-0331

Fax: (860) 275-0343

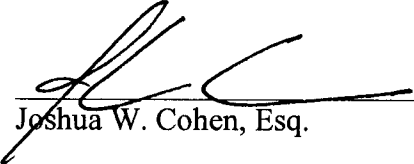
[jjtancredi@daypitney.com](mailto:jjtancredi@daypitney.com)

Juris No.: 14229

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing was sent via electronic mail, this 27th day of March, 2008, to the following:

<p>Richard A. Blumenthal, Esq. Attorney General Office of the Attorney General of Connecticut 7th Floor 55 Elm Street P.O. Box 120 Hartford, CT 06141-0120 Phone: (860) 566-3579 Fax: (860) 566-1704</p> <p>Brendan Flynn E-mail: Brendan.Flynn@po.state.ct.us</p>	<p>Bingham McCutchen LLP One State Street Hartford, CT 06103-3178</p> <p>Bruce Silvers, Esq. Phone: 860-240-2943 E-mail: bruce.silvers@bingham.com</p> <p>Anna M. Boelitz Phone: 860-240-2713 E-mail: anna.boelitz@bingham.com</p> <p>Jonathan Alter, Esq. Phone: 860-240-2969 E-mail: jonathan.alter@bingham.com</p>
<p>Robert B. Cox, Esq. Halloran &amp; Sage LLP One Goodwin Square 225 Asylum Street Hartford, CT 06103 Phone: (860) 297-4657 or (860) 548-0006 Fax: 860-548-0006 E-mail: cox@halloran-sage.com</p>	<p>Stuart Margolis, Esq. Berdon Young &amp; Margolis 132 Temple Street New Haven, CT 06510 Phone: (203) 772-3740 Fax: (203) 492-4444 E-mail: stuart@bymlaw.com</p>

BY:   
Joshua W. Cohen, Esq.

**JAMES J. TANCREDI**  
Attorney at Law

242 Trumbull Street  
Hartford, CT 06103

T: (860) 275 0331 F: (860) 881 2471  
jjtancredi@daypitney.com

EXHIBIT A

March 27, 2008

Carlton E. Helming, CPA  
Helming & Company, P.C.  
8 Fairfield Blvd.  
P.O. Box 847  
Wallingford, CT 06492

Re: Engagement Terms - F&S Oil Receivership

Dear Carl:

As discussed, our firm is pleased to represent Helming & Company, P.C., as the court-appointed Receiver (the "Receiver") for F&S Oil Company, Inc. and its Subsidiaries ("F&S") pursuant to the March 14, 2008 Order of the Superior Court for the State of Connecticut, Judicial District of Hartford at Hartford (the "Court"). Our engagement will include representation relating to the disposition of assets, dissolution and winding up of F&S and any other legal matters that may arise from time to time, as we may agree.

Our fee to the Receiver for our services will be based principally on the number of hours that are worked by attorneys and paralegals assigned to this matter. Our current hourly rates for attorneys range from \$190 to \$620. The current hourly rates for paralegals range from \$120 to \$255. My current hourly rate is \$525.00. The hourly rates for Robert G. Siegel, Joshua Cohen Douglas Van Valkenburg, Allison Raggio and Tony Anthony, the principal lawyers who will be assisting me on the Receiver's matters, range from \$220.00 to \$535.00. These rates (and the expense charges described below) are subject to change from time to time. In connection with this engagement, we have agreed to achieve a blended hourly rate for all timekeepers working on the matter (including paralegals) not to exceed \$375.00. We will utilize those lawyers best equipped to respond efficiently to the legal priorities of the Receiver.

In addition, we will charge the Receiver for our expenses incurred in the course of representing the Receiver, as set forth on the enclosed schedule, as it may be updated from time to time. Subject to approval by the Receiver, fees and expenses of third-parties in excess of \$200 (such as consultants, local counsel, filing or recording charges and the like) generally will not be

paid by us but will be billed directly to the Receiver. We will bill the Receiver monthly and our invoices are due and payable upon receipt. This will confirm that you have engaged us to represent the Receiver and, further, that fees and expenses are payable by the Receivership Estate, not by Helming & Company, P.C.

We request the Receiver to provide a retainer in the amount of \$\_\_\_\_\_ to be held by the firm for fees and expenses. The retainer shall be held in our clients' funds account and will be returned to the Receiver or applied to any outstanding invoice(s) at the conclusion of this engagement.

We reserve the right to decline to perform further services for the Receiver if the Receiver is delinquent in the payment of our invoices or any required advanced payments, and, subject to our obligations in accordance with the Rules of Professional Conduct, the Receiver agrees that the firm may terminate its legal services and withdraw from any engagement with the Receiver in such event.

Either at the commencement or during the course of our representation, we may express opinions or beliefs concerning the matter at hand or various courses of action and the results that might be anticipated. Any such statement made by any attorney or paralegal of the firm is intended to be an expression of opinion only, based on information available to us at the time, and should not be construed by the Receiver as a promise or guarantee.

At the Receiver's request, we will return to the Receiver promptly any materials in our files that the Receiver may wish to keep in the Receiver's possession at the conclusion of our representation. If the Receiver does not request that materials in our files be returned to the Receiver, all materials in the files will be destroyed after ten years pursuant to the firm's file retention/destruction policy.

Please sign the enclosed copy of this letter in the space provided and return it, together with a check for the advanced payment, to the firm in the enclosed, self-addressed, stamped envelope to indicate the Receiver's agreement with the description of legal services that we will undertake on the Receiver's behalf and the payment and other arrangements set forth herein.

Should any portion of this letter not accurately reflect our agreement regarding the Receiver's engagement of our firm and the related payment arrangements, please let me know.

Very truly yours,

James J. Tancredi

JJT/bbl

## EXHIBIT B

### Conflicts Disclosure

1. Day Pitney has reviewed potential conflicts in this matter based upon the known involvement of the following parties: Citizens Bank, The Attorney General of the State of Connecticut, members of the family of Richard Stevens, Bert Stevens and Christopher Carr. After a review of information in our conflict system, we believe that there is no actual or potential conflict of interest with these material parties.

2. Day Pitney has represented, within the last six (6) years, from time to time, as regular or special counsel, The Office of the State Treasurer, Connecticut Health and Educational Facilities Authority, Connecticut Housing Finance Authority, Connecticut Development Authority, Connecticut Higher Education Supplemental Loan Authority and the Office of the Governor and other offices and instrumentalities of the State of Connecticut in matters wholly unrelated to this matter. Day Pitney does not believe that its representation herein is adverse to the State or its instrumentalities.

3. Day Pitney has a multistate/Atlantic corridor and national practice wherein it does, and may, represent other clients who may be creditors of the Receivership. Day Pitney does not believe, under the circumstances of this case, that the interests of the Receiver, as a fiduciary, are adverse to the interests of creditors.

4. Day Pitney will not undertake to represent any other party in or related to these proceedings and has concluded any representation of pre-receivership trade creditors.

EXHIBIT C

Hourly Rates for Day Pitney, LLP Attorneys

Robert G. Siegel	\$535.00
James J. Tancredi	\$525.00
Joshua W. Cohen	\$415.00
Douglas Van Valkenburg	\$265.00
Allison Raggio	\$240.00
Tony Anthony	\$220.00
Karen S. Clancy-Boy	\$200.00
Suzanne P. Micklich	\$150.00

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	:	HARTFORD
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	:	AT HARTFORD
F & S OIL COMPANY, INC., CARLSON	:	
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OIL, INC., VILLAGE OIL, INC., U.S. FUELS,	:	
LLC, AND BOSSE GRAZIANO OIL COMPANY	:	MARCH 27, 2008

ORDER APPROVING RECEIVER'S APPLICATION FOR  
AUTHORITY TO EMPLOY COUNSEL

The Receiver's Application for Authority to Employ Counsel Under General Retainer (the "Application") having come before the Court and due cause appearing therefore, it is hereby

ORDERED, that the Application is GRANTED; and it is hereby further

ORDERED, that the Receiver is authorized to employ Day Pitney, LLP ("Day Pitney") as its counsel in connection with this matter; and it is hereby further

ORDERED, that the Retention Agreement, attached to the Application as Exhibit A, is hereby approved; and it is hereby further

ORDERED, that the Receiver is authorized to execute the Retention Agreement, attached to the Application as Exhibit A, on behalf of the receivership estate; and it is hereby further

ORDERED, that the phased structure of the engagement, as outlined in Paragraph 11 of the Application, is hereby approved and authorized; and it is hereby further

ORDERED, that Day Pitney may, from time to time, submit interim applications for compensation of fees and expenses incurred in connection with this case.

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The Honorable Grant Miller  
Judge, Superior Court of the State of Connecticut