
In the United States Bankruptcy Court
for the
Southern District of Georgia
Brunswick Division

In the matter of:)
)
FIRST AMERICAN HEALTH) Chapter 11 Cases
CARE OF GEORGIA, INC.) Numbers 96-20188
and its wholly owned subsidiaries) through 96-20218
listed on Exhibit "A")
)
Debtors)

**INTERIM ORDER WITH REGARD TO EMPLOYMENT
OF CHAMBERLAIN & CANSLER, INC., AS INDEPENDENT MANAGER**

_____ This matter is before the Court on the Debtors' Application to Approve Chamberlain & Cansler, Inc., as independent manager (the "Application").

In the Application, Debtors request that this Court enter an order approving the employment of Chamberlain & Cansler, Inc., ("C&C") as the independent manager of the Debtors. The Debtors pre-petition appointed the principals of C&C, Mr. Frank M. Chamberlain and Mr. Charles L. Cansler, as their Chief Executive Officer and Chief Financial Officer, respectively, and have requested that the Court approve and designate C&C, Mr. Chamberlain, and Mr. Cansler, as the persons with fiduciary responsibility and authority to exercise and perform the rights, powers, and duties of the debtor-in-possession in each case. The Debtors have further requested that the Court enter an order authorizing C&C, Mr. Chamberlain, and Mr. Cansler to exercise the power and authority of, and to act on behalf of, Debtors in all matters involving the administration of these bankruptcy cases, and the operation of the Debtors' business, without the necessity of approval by the Board of Directors or shareholders of the Debtors.

Having considered the Application and its exhibits, including the engagement letter between the Debtors and C&S, the Court finds (1) that the substitution of

new management in place of resigned officers of the Debtor is critical and necessary to the prospects for reorganization of Debtor; (2) that C&C appear qualified to serve in said capacity for at least an interim period pending consideration of any objections to their appointment; (3) that no party has suggested the existence of a more qualified manager; and (4) that such appointment neither suggests the need for nor the absence of need for an examiner or trustee and therefore does not preclude consideration of such relief in the future.

IT IS HEREBY ORDERED, subject to objection filed and served as hereinafter set forth and subject to further order of this Court modifying or amending this Order, as follows:

- 1) The Debtors' employment of C&C, and the appointment of its principals, Mr. Frank M. Chamberlain and Mr. Charles L. Cansler, as Chief Executive Officer and Chief Financial Officer, respectively, is hereby authorized and approved in accordance with the terms of the engagement letter attached to the Application, a copy of which is attached hereto.
- 2) C&C, Mr. Chamberlain, and Mr. Cansler are hereby designated as the persons with the fiduciary responsibilities and authority to exercise and perform, as the independent, exclusive and fiduciary management of Debtors, the rights, powers, and duties of the debtor-in-possession in these cases.
- 3) C&C, Mr. Chamberlain, and Mr. Cansler shall exercise the powers and authority of, and shall have the exclusive authority to act on behalf of, the Debtors in all matters involving administration of these cases, without the necessity of any approval of the Board of Directors or shareholders of any Debtors, said authority having been expressly relinquished by said Directors and shareholders.
- 4) C&C, Mr. Chamberlain, and Mr. Cansler shall serve as herein set forth pending further order of this Court.
- 5) The Debtors are authorized to pay compensation to C&C and to reimburse its expenses, in accordance with the terms of the engagement letter attached hereto and made a part hereof.
- 6) Any payments received by C&C are subject to review of the Court and reimbursement upon order of the Court pursuant to the standards as applied under 11 U.S.C. Sections 330 and 331. C&C shall be required to file an appropriate application seeking approval of its fees and expenses once every ninety (90) days.
- 7) This Order is without prejudice to the rights of the United States Trustee, any equity

security holder, creditor or any other party in interest, upon such notice as may be deemed appropriate by the Court, to seek modification of this Order to change the powers and authority of C&C, Mr. Chamberlain, and Mr. Cansler, for cause shown.

This Order is subject to objection by any party in interest filed and served within twenty (20) days from the date of its entry. Any such objection shall be filed with the Clerk of this Court and served on counsel for the Debtors and the United States Trustee. In the event that any objection is filed, or the Court on its own motion determines, the Court shall schedule a hearing to further consider this employment.

IT IS SO ORDERED.

Lamar W. Davis, Jr.
United States Bankruptcy Judge

Dated at Savannah, Georgia

This 22nd day of February, 1996.