

EXHIBIT R-19

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

In re: ABITIBIBOWATER INC., <i>et al.</i> , ¹ Debtors.	)) Chapter 11)) Case No. 09-11296 (KJC))) Jointly Administered)) Hearing Date: May 26, 2010 at 2:00 p.m. (ET)) Objection Deadline: May 19, 2010 at 4:00 p.m. (ET)
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**DEBTORS' APPLICATION FOR ENTRY OF
AN ORDER PURSUANT TO SECTION 327(a) OF
THE BANKRUPTCY CODE AND BANKRUPTCY RULE 2014
AUTHORIZING THE EMPLOYMENT AND RETENTION OF TOGUT,
SEGAL & SEGAL LLP AS CONFLICTS COUNSEL TO BOWATER CANADA
FINANCE CORPORATION, *NUNC PRO TUNC* TO APRIL 30, 2010**

AbitibiBowater Inc. ("AbitibiBowater") and its affiliated debtors and debtors in possession in the above-captioned cases (each a "Debtor," and collectively, together with the SPV Debtors, the "Debtors"), file this application (the "Application") seeking entry of an order, in substantially the form attached hereto as Exhibit A, authorizing Bowater Canada Finance Corporation ("BCFC") to employ and retain Togut, Segal & Segal LLP (the "Togut Firm") as

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: AbitibiBowater Inc. (6415), AbitibiBowater US Holding 1 Corp. (N/A), AbitibiBowater US Holding LLC (N/A), AbitibiBowater Canada Inc. (N/A), Abitibi-Consolidated Alabama Corporation (4396), Abitibi-Consolidated Corporation (9050), Abitibi-Consolidated Finance LP (4528), Abitibi Consolidated Sales Corporation (7144), Alabama River Newsprint Company (7247), Augusta Woodlands, LLC (9050), Bowater Alabama LLC (7106), Bowater America Inc. (8645), Bowater Canada Finance Corporation (N/A), Bowater Canadian Forest Products Inc. (N/A), Bowater Canadian Holdings Incorporated (N/A), Bowater Canadian Limited (N/A), Bowater Finance Company Inc. (1715), Bowater Finance II LLC (7886), Bowater Incorporated (1803), Bowater LaHave Corporation (N/A), Bowater Maritimes Inc. (N/A), Bowater Newsprint South LLC (1947), Bowater Newsprint South Operations LLC (0168), Bowater Nuway Inc. (8073), Bowater Nuway Mid-States Inc. (8290), Bowater South American Holdings Incorporated (N/A), Bowater Ventures Inc. (8343), Catawba Property Holdings, LLC (N/A), Coosa Pines Golf Club Holdings LLC (8702), Donohue Corp. (9051), Lake Superior Forest Products Inc. (9305) and Tenex Data Inc. (5913). On December 21, 2009, ABH LLC 1 (2280) and ABH Holding Company LLC (2398) (the "SPV Debtors") commenced chapter 11 cases, which cases are jointly administered with the above-captioned Debtors. The Debtors' and SPV Debtors' corporate headquarters are located at, and the mailing address for each Debtor is, 1155 Metcalfe Street, Suite 800, Montreal, Quebec H3B 5H2, Canada.

conflicts counsel, *nunc pro tunc* to April 30, 2010. In support of this Application, the Debtors rely on the Declaration of Albert Togut, a member of the Togut Firm (the “Togut Declaration”), a copy of which is attached hereto as **Exhibit B** and incorporated herein by reference. In further support of this Application, the Debtors respectfully state as follows:

Jurisdiction

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory bases for the relief requested herein are sections 327(a) and 330 of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 2014(a), 2016 and 6003 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

Background

4. AbitibiBowater Inc. (“AbitibiBowater” and with its subsidiaries and affiliates, the “Company”) is incorporated in Delaware and headquartered in Montreal, Quebec. The Company is the world’s largest producer of newsprint by capacity and one of the largest publicly traded pulp and paper manufacturers worldwide. It produces an extensive range of commercial printing papers, market pulp and wood products, serving customers in over 90 countries. The Company is also among the world’s largest recyclers of newspapers and magazines, and has third-party certified 100% of its managed woodlands to sustainable forest management standards. As of December 31, 2008, it owned or operated 24 pulp and paper facilities and 30 wood products facilities located in the United States, Canada, the United Kingdom and South Korea, as well as recycling and power generation facilities. Employing

around 15,900 people, the Company realized sales of approximately \$6.8 billion² in 2008. Its total assets were \$8.1 billion as of December 31, 2008.

5. The Company's financial performance depends primarily on the market demand for its products and the prices at which they can be sold. These products are globally traded commodities, and as such, the balance between supply and demand drives their pricing and shipment levels. Supply and demand, in turn, are affected by global economic conditions, changes in consumption and capacity, the level of customer and producer inventories and fluctuations in currency exchange rates. The recent downturn in the global economy has resulted in an unprecedented decline in demand for newsprint, the Company's primary product. In addition, substantial price competition and volatility in the pulp and paper industry, along with negative trends in advertising, electronic data transmission and storage and continued expansion of the Internet, have exacerbated downward pressure on revenue. At the same time, the global credit markets suffered a significant contraction, including the failure of some large financial institutions, which has resulted in a severe decline in the credit markets and overall availability of credit. These market disruptions, as well as the Company's high debt levels and the overall weakness in consumer demand, have adversely impacted the Company's financial performance and have necessitated the commencement of these chapter 11 cases and coordinated Canadian filings.

6. Specifically, on April 16, 2009 (the "Petition Date"), certain of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases").³ On April 17, 2009, certain of the Debtors, including BCFC (the "Cross-

² All monetary figures are presented in U.S. dollars unless specifically noted otherwise.

³ The SPV Debtors filed petitions for relief under chapter 11 of the Bankruptcy Code on December 21, 2009.

Border Debtors”),⁴ and non-debtor subsidiaries of AbitibiBowater (the “CCAA Debtors” together with the Cross-Border Debtors, the “Canadian Debtors”)⁵ applied for protection from their creditors under Canada’s Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “CCAA”), in the Superior Court, Commercial Division, for the Judicial District of Montreal, Canada (the “Canadian Court” and the filing, the “Canadian Proceeding”). Two of the CCAA Debtors – Abitibi-Consolidated Inc. (“ACI”) and Abitibi-Consolidated Company of Canada (“ACCC”) (together, the “Chapter 15 Debtors”) – thereafter filed petitions for recognition under chapter 15 of the Bankruptcy Code (the “Chapter 15 Cases”) in this Court seeking emergency provisional relief in support of the Canadian Proceeding. AbitibiBowater and certain of the Debtors also filed for ancillary relief in Canada seeking provisional relief in support of the Chapter 11 Cases in Canada under the Canadian equivalent of chapter 15, section 18.6 of the CCAA.⁶

⁴ The Canadian Debtors are: BCFC, Bowater Canadian Holdings Incorporated, AbitibiBowater Canada Inc., Bowater Canadian Forest Products Inc., Bowater Maritimes Inc., Bowater LaHave Corporation and Bowater Canadian Limited.

⁵ The CCAA Debtors are: Bowater Mitis Inc., Bowater Guerette Inc., Bowater Couturier Inc., Alliance Forest Products (2001) Inc., Bowater Belledune Sawmill Inc., St. Maurice River Drive Company, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Quebec Inc., Bowater Canada Treasury Corporation, Bowater Canada Finance Limited Partnership, Bowater Shelburne Corporation, 3231078 Nova Scotia Company, Bowater Pulp and Paper Canada Holdings Limited Partnership, Abitibi-Consolidated Inc., Abitibi-Consolidated Company of Canada, Abitibi-Consolidated Nova Scotia Incorporated, 32117925 Nova Scotia Company, Terra-Nova Explorations Ltd., The Jonquiere Pulp Company, The International Bridge and Terminal Company, Scramble Mining Limited, 9150-3383 Quebec Inc., Star Lake Hydro Partnership, Saguenay Forest Products Inc., 3224112 Nova Scotia Limited, La Tuque Forest Products Inc., Marketing Donohue Inc., Abitibi-Consolidated Canadian Office Products Holdings Inc., 3834328 Canada Inc., 6169678 Canada Incorporated, 4042410 Canada Inc., Donohue Recycling and 1508756 Ontario Inc.

⁶ The Debtors who obtained section 18.6 relief are: AbitibiBowater Inc., AbitibiBowater US Holding 1 Corp., Bowater Ventures Inc., Bowater Incorporated, Bowater Nuway Inc., Bowater Nuway-Midstates, Inc., Catawba Property Holdings LLC, Bowater Finance Company Inc., Bowater South American Holdings Incorporated, Bowater America Inc., Lake Superior Forest Products Inc., Bowater Newsprint South LLC, Bowater Newsprint South Operations LLC, Bowater Finance II, LLC, Bowater Alabama LLC and Coosa Pines Golf Club Holdings LLC.

7. On April 28, 2009, the United States Trustee for the District of Delaware appointed a statutory committee of unsecured creditors (the “Official Committee”) in these Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.

8. The Company’s ability to reorganize depends on the comprehensive reorganization of its businesses in Canada and the United States. The Debtors’ and the CCAA Debtors’ interests are united in their integrated, co-dependent business relationship. The Debtors and the CCAA Debtors have therefore committed to engage in a joint and coordinated restructuring in both jurisdictions in an effort to maximize value for the benefit of the Company’s collective stakeholders.

Relief Requested

9. By this application, the Debtors seek the entry of an order pursuant to section 327(a) of the Bankruptcy Code, and Bankruptcy Rules 2014(a), 2016 and 6003, authorizing the employment and retention of the Togut Firm as conflicts counsel to BCFC in these Chapter 11 Cases *nunc pro tunc* April 30, 2010.

10. By Order dated May, 13, 2009, this Court approved the retention and employment of Paul, Weiss, Rifkind, Wharton & Garrison LLP (“Paul Weiss”) as attorneys for the Debtors and Debtors in Possession [Docket No. 233]. Since that time, Paul Weiss has represented the Debtors in these complex Chapter 11 Cases. The Debtors have made substantial progress towards formulating and negotiating a confirmable reorganization plan in the Chapter 11 Cases, and in fact, the Debtors filed earlier this week the Debtors’ Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, dated May 4, 2010 [Docket No. 2070].

11. The Company comprises approximately 145 legal entities worldwide, 52 of which are U.S. legal entities. Of these, 34 have filed for Chapter 11 relief, 41 have filed for protection under the CCAA, and 7 have filed for both Chapter 11 and CCAA protection. As is common in large, complex multi-debtor cases, many intercompany relationships exist among the Debtors, the Cross-Border Debtors, and the CCAA Debtors. Notwithstanding these relationships, the Debtors have functioned effectively as one enterprise in these Chapter 11 Cases, and have successfully operated for the benefit of the whole. As the Debtors work through the claims reconciliation process and approach plan solicitation and confirmation, they have identified an apparent intercompany conflict between BCFC and its parent, Bowater Incorporated (“Bowater”). Accordingly, to avoid delay with their reorganization and emergence efforts, and any appearance of impropriety, the Debtors seek to retain the Togut Firm to represent BCFC as conflicts counsel.

12. By way of background, BCFC is a wholly-owned subsidiary of Bowater organized as an unlimited liability company (a “ULC”) under Nova Scotia law. A ULC creates a “hybrid” pass-through structure under which the ULC’s shareholders may be liable pursuant to Nova Scotia law for the ULC’s liabilities upon its winding up, even though the ULC takes the form of a corporation.

13. BCFC issued notes in the principal amount of \$600 million pursuant to that certain indenture for the 7.95% notes due 2011 dated as of October 31, 2001 among BCFC as issuer, Bowater as guarantor, and the Bank of New York, as trustee (the “BCFC Notes”). The BCFC Notes remain outstanding. BCFC has no material operations.

14. The Debtors believe that engaging conflicts counsel at this time to represent BCFC in connection with any claims BCFC may have against Bowater arising from the

BCFC Notes is in the best interests of the respective Debtors' estates, and the Debtors' estates overall. While the mere existence of an intercompany claim does not create an actual conflict of interest, *see, e.g., In re Global Marine, Inc.*, 108 B.R. 998, 1002 (Bankr. S.D. Tex. 1987), and the Debtors do not believe one exists, the Debtors want to avoid even the appearance of impropriety under the circumstances.

15. Pursuant to section 327(a) of the Bankruptcy Code, the Debtors request that the Court approve the retention of the Togut Firm under a general retainer, as conflicts counsel for BCFC, to perform services that will be necessary during these Chapter 11 Cases in accordance with the Togut Firm's normal hourly rates and policies in effect when the Togut Firm renders the services or incurs the expenses.

16. The Debtors have been informed that the attorneys at the Togut Firm who will be employed in these Chapter 11 Cases are members in good standing of the Bar of the State of New York and are admitted in one or more jurisdictions. The Debtors' Delaware counsel has filed, or will shortly file, motions for admission *pro hac vice* for the partners, counsel and associates of the Togut Firm who it is anticipated will be rendering services in these Chapter 11 Cases.

17. The Debtors have selected the Togut Firm as conflicts counsel to BCFC in view of the firm's extensive knowledge and experience in the field of debtors' protections and creditors' rights and complex business reorganizations under chapter 11 of the Bankruptcy Code and, in particular, the firm's extensive experience as independent conflicts counsel, including with respect to potential intercompany conflicts in complex cases. In addition, the Togut Firm has extensive experience practicing before this and other bankruptcy courts.

18. The Togut Firm has been actively involved in major chapter 11 cases, and has represented debtors in many cases including, without limitation: In re Motors Liquidation Company (f/k/a General Motors Corp.), et al., Case No. 09-50026 (REG); In re Old Carco LLC (f/k/a Chrysler LLC), et al., Case No. 09-50002 (AJG); In re Charter Communications, Inc., et al., Case No. 09-11435 (JMP); In re Tronox Inc., et al., Case No. 09-10156 (ALG); In re Frontier Airlines Holdings, Inc. et al., Case No. 08-11298 (RDD); Dura Automotive Systems, Inc. et al., Case No. 06-11202 (KJC); In re Delphi Corp., et al., Case No. 05-44481 (RDD); In re Enron Corp., et al., Case No. 01-16034 (AJG); In re Saint Vincents Catholic Medical Centers of New York d/b/a Saint Vincent Catholic Medical Centers, et al., Case No. 05-14945 (PCB); In re Tower Auto., Inc., Case No. 05-10578 (ALG); In re Allegiance Telecom, Inc., Case No. Case No. 03-13057 (RDD); In re Ames Department Stores, Case No. 01-42217 (REG); In re Loews Cineplex Entertainment Corp., Case No. 01-40346 (ALG); Onsite Access, Inc., Case No. 01-12879 (RLB); Lernout & Hauspie Speech Products N.V., et al., Case No. 00-4397 (JHW); Daewoo International (America) Corp., Case No. 00-11050 (BRL); Contifinancial Corp., Case No. 00-12184 (ALG); Lois/USA, Inc., Case No. 99-45910 (REG); and Rockefeller Center Properties, Case No. 95-420789 (PCB).

Scope of Services

19. Subject to the Court's approval, the Togut Firm will render professional services to BCFC for certain discrete matters, as described above, which may include, but are not limited to the following:

- (a) for only the matters the Togut Firm is handling, advise BCFC regarding its powers and duties as a debtor in possession in such matter(s);
- (b) attend meetings and negotiate with representatives of creditors and other parties in interest;

- (c) prepare on BCFC's behalf proof(s) of claim, motions, applications, adversary proceedings, answers, orders, reports and papers necessary to the matters the Togut Firm is handling;
- (d) appear before this Court and any appellate courts and protect the interests of BCFC's estate before these Courts; and
- (e) perform other necessary legal services as may be requested and provide other necessary legal advice to BCFC in connection with these Chapter 11 Cases.

The Togut Firm has indicated its willingness to render the necessary professional services described above as conflicts counsel to BCFC.

20. The Togut Firm will perform the duties of conflicts counsel to BCFC on matters which may arise where Paul Weiss or the Debtors' other retained professionals cannot perform such services and such other discrete duties as may be assigned to it by BCFC. The Debtors are very mindful of the need to avoid duplication of services, and appropriate procedures will be implemented to ensure that there is minimal duplication of effort as a result of the Togut Firm's role as conflicts counsel.

Compensation

21. In accordance with section 330(a) of the Bankruptcy Code, BCFC proposes to compensate the Togut Firm on an hourly basis at its customary hourly rates for services rendered, plus reimbursement of actual, necessary expenses incurred by the Togut Firm. The primary members of the Togut Firm who will be handling the above matters and their current standard hourly rates are: (i) partners \$800 to \$935; (ii) associates and counsel \$275 to \$720; (iii) paralegals and law clerks \$155 to \$285.

22. As set forth in the Togut Declaration filed in support of the Application, the hourly rates described above are subject to periodic adjustments to reflect economic and other conditions. Other attorneys or paralegals may from time to time serve BCFC in the matters

for which the Togut Firm's retention is sought. The Togut Firm's rates are set at a level designed to compensate the firm fairly for the work of its attorneys and paralegals, and to cover fixed and routine overhead expenses. It is the Togut Firm's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, expenses for "working meals," computerized research, messengers, couriers, postage, witness fees and other fees related to trials and hearings, transcription costs, and non-ordinary overhead expenses such as secretarial and other overtime. The Togut Firm will charge BCFC for these expenses in a manner and at rates consistent with charges generally made to the Togut Firm's other clients. The Togut Firm believes that it is fairer to charge these expenses to the client incurring them than to increase the hourly rates and spread the expenses among all clients.

23. The Togut Firm will submit interim and final applications for compensation in accordance with the Bankruptcy Code and Rules, the Local Rules of this Court, and such other and further Orders as the Court may direct.

Disinterestedness

24. To the best of the Debtors' knowledge, and based upon the Togut Declaration, the Togut Firm does not represent or hold any interest adverse to BCFC, the Debtors or their estates with respect to the matters on which the firm is to be employed. Further, to the best of the Debtors' knowledge and based on the Togut Declaration, the Togut Firm does not have any connection with any creditors or other parties in interest, or their respective

attorneys or accountants, or the United States Trustee or any of its employees, except as set forth in the Togut Declaration.

Basis for Relief

25. Section 327(a) of the Bankruptcy Code provides that a debtor, subject to Court approval:

Except as otherwise provided in this section, the trustee, with the Court's approval, may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title.

11 U.S.C. § 327(e).

26. Moreover, Bankruptcy Rule 2014 requires that an application for retention include:

[S]pecific facts showing the necessity for the employment, the name of the [firm] to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant's knowledge, all of the [firm's] connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.

27. For the reasons stated above, the Debtors seek to employ and retain the Togut Firm as conflicts counsel to BCFC pursuant to section 327(a) of the Bankruptcy Code. As discussed herein, BCFC believes that the immediate retention of the Togut Firm as conflicts counsel is in the best interests of BCFC's and the Debtors' estates, and that the Togut Firm neither holds nor represents interests adverse to BCFC, the Debtors or their estates.

Notice

28. The Debtors have provided notice of this Motion to the following parties, or, in lieu thereof, their counsel: (a) counsel to the Official Committee; (b) the United States Trustee; (c) counsel to the agents for the Debtors' prepetition secured bank facilities; (d) counsel to the agent for the Debtors' postpetition lenders; (e) counsel to the agent for the Debtors' securitization facility; (f) the Monitor appointed in the Canadian Proceeding; and (g) those parties entitled to notice pursuant to Bankruptcy Rule 2002, in accordance with Local Rule 2002-1(b). In light of the nature of the relief requested, the Debtors respectfully submit that no further notice is necessary.

No Prior Request

29. No prior application for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request the entry of an Order, substantially in the form attached hereto as **Exhibit A**, (a) authorizing the Debtors to employ and retain the Togut Firm as conflicts counsel to BCFC effective as of April 30, 2010, and (b) granting such other and further relief as the Court deems appropriate.

Dated: Wilmington, Delaware
May 7, 2010

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Sean T. Greecher

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Sean T. Greecher (No. 4484)
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- and -

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Counsel for the Debtors and Debtors-in-Possession

Exhibit A

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

In re:

ABITIBIBOWATER INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 09-11296 (KJC)
)
) Jointly Administered
)
) Ref. Docket No. _____
)

**ORDER AUTHORIZING THE EMPLOYMENT
AND RETENTION OF TOGUT, SEGAL & SEGAL,
LLP AS CONFLICTS COUNSEL TO THE DEBTORS AND
DEBTORS IN POSSESSION, *NUNC PRO TUNC* TO APRIL 30, 2010**

Upon the Application² of AbitibiBowater Inc. and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), for entry of an order pursuant to section 327(a) of the Bankruptcy Code and Fed. R. Bankr. P. 2014, authorizing the Debtors to employ and retain Togut, Segal & Segal LLP (the “Togut Firm”) as conflicts counsel for Bowater Canada Finance Corporation (“BCFC”) *nunc pro tunc* to April 30, 2010; and upon

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: AbitibiBowater Inc. (6415), AbitibiBowater US Holding 1 Corp. (N/A), AbitibiBowater US Holding LLC (N/A), AbitibiBowater Canada Inc. (N/A), Abitibi-Consolidated Alabama Corporation (4396), Abitibi-Consolidated Corporation (9050), Abitibi-Consolidated Finance LP (4528), Abitibi Consolidated Sales Corporation (7144), Alabama River Newsprint Company (7247), Augusta Woodlands, LLC (9050), Bowater Alabama LLC (7106), Bowater America Inc. (8645), Bowater Canada Finance Corporation (N/A), Bowater Canadian Forest Products Inc. (N/A), Bowater Canadian Holdings Incorporated (N/A), Bowater Canadian Limited (N/A), Bowater Finance Company Inc. (1715), Bowater Finance II LLC (7886), Bowater Incorporated (1803), Bowater LaHave Corporation (N/A), Bowater Maritimes Inc. (N/A), Bowater Newsprint South LLC (1947), Bowater Newsprint South Operations LLC (0168), Bowater Nuway Inc. (8073), Bowater Nuway Mid-States Inc. (8290), Bowater South American Holdings Incorporated (N/A), Bowater Ventures Inc. (8343), Catawba Property Holdings, LLC (N/A), Coosa Pines Golf Club Holdings LLC (8702), Donohue Corp. (9051), Lake Superior Forest Products Inc. (9305) and Tenex Data Inc. (5913). On December 21, 2009, ABH LLC 1 (2280) and ABH Holding Company LLC (2398) (the “SPV Debtors”) commenced chapter 11 cases, which cases are jointly administered with the above-captioned Debtors. The Debtors’ and SPV Debtors’ corporate headquarters are located at, and the mailing address for each Debtor is, 1155 Metcalfe Street, Suite 800, Montreal, Quebec H3B 5H2, Canada.

² Capitalized terms used and not defined herein shall have the meaning ascribed to them in the Application.

the Declaration of Albert Togut, dated May 7, 2010; and it appearing that the Togut Firm neither holds nor represents an interest adverse to BCFC or the other Debtors' estates with respect to the matters upon which it is to be engaged; and it appearing that the Togut Firm is a "disinterested person," as the term is defined in section 101(14) of the Bankruptcy Code; and it appearing that the relief requested is in the best interest of BCFC, the other Debtors' estates, their creditors, and other parties in interest; and it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and this Application in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of this Application and the opportunity for a hearing on this Application was appropriate under the particular circumstances and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefore, it is hereby **ORDERED**

1. The Application is granted, *nunc pro tunc* to April 30, 2010.
2. The Debtors are authorized pursuant to section 327(a) of the Bankruptcy Code to employ and retain the Togut Firm as conflicts counsel for BCFC in accordance with the terms and conditions set forth in the Application and the Togut Declaration on matters which may arise where Paul Weiss or the Debtors' other retained professionals cannot perform such services and such other discrete duties as may be assigned to it by BCFC..
3. The Togut Firm will file fee applications for interim and final allowance of compensation and reimbursement of expenses pursuant to the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules as may then be applicable, from time to time, and such procedures as may be fixed by order of this Court.
4. The Togut Firm shall be compensated in accordance with the standards and procedures set forth in sections 330 and 331 of the Bankruptcy Code and all applicable

Bankruptcy Rules, Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), guidelines promulgated by the Office of the United States Trustee, and further orders of this Court.

5. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

6. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

8. To the extent this Order is inconsistent with any prior order or pleading with respect to the Application in these cases, the terms of this Order shall govern.

9. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

DATED: Wilmington, Delaware
May ____, 2010

HONORABLE KEVIN J. CAREY
CHIEF UNITED STATES BANKRUPTCY JUDGE

Exhibit B

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

In re:	)	
	)	Chapter 11
	)	
ABITIBIBOWATER INC., <i>et al.</i> , ¹	)	Case No. 09-11296 (KJC)
	)	
Debtors.	)	Jointly Administered
	)	
	)	
	)	

**DECLARATION OF ALBERT TOGUT IN SUPPORT OF APPLICATION FOR
ORDER UNDER 11 U.S.C. § 327(a) OF THE BANKRUPTCY CODE
AND RULE 2014(a) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE
AUTHORIZING THE EMPLOYMENT AND RETENTION OF
TOGUT, SEGAL & SEGAL LLP AS CONFLICTS COUNSEL TO BOWATER
CANADA FINANCE CORPORATION, NUNC PRO TUNC TO APRIL 30, 2010**

Albert Togut, being duly sworn, states the following under penalty of perjury:

1. I am the senior member of Togut, Segal & Segal LLP (the “Togut Firm”) located at One Penn Plaza, New York, New York 10119. I am a member in good standing of the

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: AbitibiBowater Inc. (6415), AbitibiBowater US Holding 1 Corp. (N/A), AbitibiBowater US Holding LLC (N/A), AbitibiBowater Canada Inc. (N/A), Abitibi-Consolidated Alabama Corporation (4396), Abitibi-Consolidated Corporation (9050), Abitibi-Consolidated Finance LP (4528), Abitibi Consolidated Sales Corporation (7144), Alabama River Newsprint Company (7247), Augusta Woodlands, LLC (9050), Bowater Alabama LLC (7106), Bowater America Inc. (8645), Bowater Canada Finance Corporation (N/A), Bowater Canadian Forest Products Inc. (N/A), Bowater Canadian Holdings Incorporated (N/A), Bowater Canadian Limited (N/A), Bowater Finance Company Inc. (1715), Bowater Finance II LLC (7886), Bowater Incorporated (1803), Bowater LaHave Corporation (N/A), Bowater Maritimes Inc. (N/A), Bowater Newsprint South LLC (1947), Bowater Newsprint South Operations LLC (0168), Bowater Nuway Inc. (8073), Bowater Nuway Mid-States Inc. (8290), Bowater South American Holdings Incorporated (N/A), Bowater Ventures Inc. (8343), Catawba Property Holdings, LLC (N/A), Coosa Pines Golf Club Holdings LLC (8702), Donohue Corp. (9051), Lake Superior Forest Products Inc. (9305) and Tenex Data Inc. (5913). On December 21, 2009, ABH LLC 1 (2280) and ABH Holding Company LLC (2398) (the “SPV Debtors”) commenced chapter 11 cases, which cases are jointly administered with the above-captioned Debtors. The Debtors’ and SPV Debtors’ corporate headquarters are located at, and the mailing address for each Debtor is, 1155 Metcalfe Street, Suite 800, Montreal, Quebec H3B 5H2, Canada.

Bar of the State of New York, and am admitted to practice in the Southern District of New York and the Eastern District of New York.

2. Delaware counsel for the above-captioned debtors and debtors in possession (the “Debtors”) has filed, or will shortly file, motions for admission *pro hac vice* in the District of Delaware for the partners, counsel, and associates of the Togut Firm who it is anticipated will be rendering services in these Chapter 11 Cases.²

3. I am in all respects competent to make this Declaration in support of the Application to employ and retain the Togut Firm as conflicts counsel to Bowater Canada Finance Corporation effective as of April 30, 2010, pursuant to section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014(a). Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein.

DISINTERESTEDNESS

4. Based on the conflicts search conducted to date by the Togut Firm and as described herein, to the best of my knowledge, neither the Togut Firm, nor any partner, including myself, counsel or associate thereof, insofar as I have been able to ascertain, has any connection with BCFC or the other Debtors, their creditors or any other parties in interest, or their respective attorneys and accountants, nor with the United States Trustee for the District of Delaware (the “United States Trustee”) or any person employed by the United States Trustee, except as disclosed herein.

5. The Togut Firm is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, in that the Togut Firm, its partners, counsel and associates, except as disclosed herein:

² Capitalized terms used and not defined herein shall have the meaning ascribed to them in the Application.

- (a) are not creditors, equity security holders or insiders of BCFC or the other Debtors;
- (b) are not and were not within two years before the date of the filing of the petition, a director, officer or employee of any of the Debtors, including BCFC; and
- (c) do not have an interest materially adverse to the interest of the 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, BCFC or the other Debtors, or for any other reason.

6. I am not related, and to the best of my knowledge, no attorney at the Togut Firm is related, to any United States Bankruptcy Judge in the District of Delaware or to the United States Trustee or any employee thereof.

7. Pursuant to section 327(c) of the Bankruptcy Code, the Togut Firm is not disqualified from acting as the BCFC's counsel merely because it represents creditors, equity security holders and/or other parties in interest in matters unrelated to these chapter 11 cases.

8. The Togut Firm will periodically review its files during the pendency of these Chapter 11 Cases to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new relevant facts or relationships are discovered or arise, the Togut Firm will use its reasonable efforts to identify any such further developments and will promptly file a supplemental affidavit as required by Bankruptcy Rule 2014(a).

9. The Togut Firm began its work on April 30, 2010 and has not received a retainer or other payment in connection with its work on these Chapter 11 Cases. Given that the next omnibus hearing date on which the Court may consider the Application is May 26, 2010, the Togut Firm has requested that the Debtors be authorized to retain the Togut Firm *nun pro tunc* to April 30, 2010.

**THE TOGUT FIRM'S CONNECTIONS WITH
PARTIES IN INTEREST IN MATTERS
UNRELATED TO THESE CHAPTER 11 CASES**

10. The Togut Firm and certain of its partners, counsel, and associates may have in the past represented, and may likely in the future represent, parties-in-interest of the Debtors in connection with matters unrelated to the Debtors and these Chapter 11 Cases. The Togut Firm has reviewed the list of interested parties furnished by the Debtors, which list included: (i) the Debtors; (ii) non-Debtor affiliates and subsidiaries; (iii) the Debtors' current officers and directors; (iv) the Debtors' former officers and directors; (v) significant shareholders; (vi) prepetition lenders and noteholders; (vii) indenture trustees and administrative agents; (viii) financial advisors, accountants, and other professionals; (ix) the 25 largest unsecured creditors (on a consolidated basis, excluding lenders); (x) the Debtors' significant customers; (xi) the Debtors' director and officer insurance carriers; (xii) lessors to U.S. real property; (xiii) significant equipment lessors; (xiv) the Debtors' U.S. joint ventures; and (xv) litigation to which one or more of the Debtors is a party, and it has found none. In the event any new facts or relationships are subsequently discovered during the pendency of these Chapter 11 Cases, the Togut Firm will supplement this Declaration and file the same with the Court.

SERVICES TO BE RENDERED

11. The Debtors seek court approval, pursuant to sections 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014(a), to employ and retain the Togut Firm as conflicts counsel to BCFC in these Chapter 11 Cases, as generally described in the Application. Pursuant to section 327(a) of the Bankruptcy Code, the Debtors, as debtors in possession, request that the Court approve the retention of the Togut Firm, under a general retainer, as conflicts counsel to

BCFC, to perform services that will be necessary during these chapter 11 cases in accordance with the Togut Firm's normal hourly rates and policies in effect when the Togut Firm renders the services or incurs the expenses.

PROFESSIONAL COMPENSATION

12. Subject to annual adjustment in January, in accordance with the firm's billing practices, the rates to be charged by the Togut Firm for services to be rendered to the BCFC shall be the same rates charged to other clients, which are currently in the range of \$800 to \$935 for partners, \$275 to \$720 for associates and counsel to the Togut Firm and \$155 to \$285 for paralegals and law clerks. The Togut Firm intends to apply for compensation for professional services rendered in connection with these Chapter 11 Cases, subject to this Court's approval and in compliance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and the Local Bankruptcy Rules for the District of Delaware (the "Local Rules"), further Orders of this Court, and guidelines established by the United States Trustee, on an hourly basis, plus reimbursement of actual and necessary expenses and other charges that the Togut Firm incurs. The Togut Firm will charge BCFC hourly rates consistent with the rates it charges in other matters of this type.

13. It is the Togut Firm's policy to charge its clients for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, photocopying, witness fees, travel expenses, filing and recordation fees, long distance telephone calls, postage, express mail and messenger charges, computerized legal research charges and other computer services, expenses for "working meals" and telecopier charges. The Togut Firm will charge BCFC for these expenses in a manner and at rates consistent with those it generally charges its other clients and in accordance with the Local Rules

and United States Trustee guidelines. The Togut firm believes that it is fairer to charge these expenses to the particular client on whose behalf they are incurred rather than to increase its hourly rates and spread these expenses among all of its clients.

14. No promises have been received by the Togut Firm nor by any partner, counsel or associate thereof as to compensation in connection with these Chapter 11 Cases other than in accordance with the provisions of the Bankruptcy Code. The Togut Firm has no agreement with any other entity to share with such entity any compensation received by the Togut Firm in connection with these Chapter 11 Cases.

15. The Togut Firm further states pursuant to Bankruptcy Rule 2016(b) that it has not shared, nor agreed to share (a) any compensation it has received or may receive with another party or person, other than with the partners, counsel and associates of the Togut Firm or (b) any compensation another person or party has received or may receive.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing
is true and correct.

DATED: New York, New York
May 7, 2010

/s/ Albert Togut
ALBERT TOGUT