

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
AT CANTON**

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 In re: : Chapter 11
 :
 SCHWAB INDUSTRIES, INC.,¹ : Case No. 10-60702
 :
 Debtor. : Judge Russ Kendig
 :
 : Joint Administration Pending
 ----- X

In re: : Chapter 11
 :
 MEDINA CARTAGE CO., : Case No. 10-60703
 :
 Debtor. : Judge Russ Kendig
 :
 : Joint Administration Pending
 ----- X

In re: : Chapter 11
 :
 MEDINA SUPPLY COMPANY, : Case No. 10-60704
 :
 Debtor. : Judge Russ Kendig
 :
 : Joint Administration Pending
 ----- X

In re: : Chapter 11
 :
 QUALITY BLOCK & SUPPLY, INC., : Case No. 10-60705
 :
 Debtor. : Judge Russ Kendig
 :
 : Joint Administration Pending
 ----- X

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's tax identification number are: Schwab Industries, Inc. (2467); Medina Cartage Co. (9373); Medina Supply Company (3995); Quality Block & Supply, Inc. (2186); O.I.S. Tire, Inc. (7525); Twin Cities Concrete Company (9196); Schwab Ready-Mix, Inc. (8801); Schwab Materials, Inc. (8957); and Eastern Cement Corp. (7232).

In re: : Chapter 11
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O.I.S. TIRE, INC., : Case No. 10-60706
: :
Debtor. : Judge Russ Kendig
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In re: : Chapter 11
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TWIN CITIES CONCRETE COMPANY, : Case No. 10-60707
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Debtor. : Judge Russ Kendig
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In re: : Chapter 11
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SCHWAB READY-MIX, INC., : Case No. 10-60708
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Debtor. : Judge Russ Kendig
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In re: : Chapter 11
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SCHWAB MATERIALS, INC., : Case No. 10-60709
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Debtor. : Judge Russ Kendig
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: Joint Administration Pending

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In re: : Chapter 11
: :
EASTERN CEMENT CORP., : Case No. 10-60710
: :
Debtor. : Judge Russ Kendig
: :
: Joint Administration Pending

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**APPLICATION OF DEBTORS AND DEBTORS IN POSSESSION, PURSUANT TO
SECTIONS 327(A) AND 329(A) OF THE BANKRUPTCY CODE AND BANKRUPTCY
RULES 2014(A), 2016(B) AND 6003(A), FOR ENTRY OF AN ORDER AUTHORIZING
DEBTORS TO RETAIN AND EMPLOY HAHN LOESER & PARKS LLP
AS COUNSEL, NUNC PRO TUNC AS OF THE PETITION DATE**

Schwab Industries, Inc (“SII”), Medina Cartage Co. (“MCC”), Medina Supply Company (“MSC”), Quality Block & Supply, Inc. (“QBS”), O.I.S. Tire, Inc. (“OIS”), Twin Cities Concrete Company (“TCC”), Schwab Ready-Mix, Inc. (“SRM”), Schwab Materials, Inc. (“SMI”) and Eastern Cement Corp. (“ECC”, and together with SII, MCC, MSC, QBS, OIS, TCC, SRM and SMI, the “Debtors”), the debtors and debtors in possession in the above-captioned Chapter 11 cases (the “Cases”), by and through their undersigned proposed counsel, hereby apply (the “Application”) pursuant to sections 327(a) and 329(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 2014(a), 2016(b) and 6003(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for entry of an order authorizing Debtors to retain and employ Hahn Loeser & Parks LLP (“Hahn Loeser”) as counsel in these Chapter 11 cases (the “Cases”). In support of this Application, Debtors submit the *Declaration of Lawrence E. Oscar in Support of the Application of Debtors and Debtors in Possession, Pursuant to Section 327(a) and 329(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a), 2016(b) and 6003(a), for Entry of an Order Authorizing Debtors to Retain and Employ Hahn Loeser & Parks LLP as Counsel, Nunc Pro Tunc as of the Petition Date* (the “Oscar Declaration”), a copy of which is attached hereto as Exhibit A and incorporated by reference herein, and refer to and rely upon the *Affidavit of David R. Exley in Support of Chapter 11 Petitions and First Day Motions* (the “Exley Affidavit”), filed concurrently herewith, and respectfully state as follows:

BACKGROUND

1. On the date hereof (the "Petition Date"), Debtors commenced the Cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Debtors have concurrently filed a motion seeking to jointly administer their estates.

2. Debtors are continuing in possession of their properties and assets and are operating and managing their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee, examiner, or official committee of unsecured creditors has been appointed in the Cases.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§157 and 1334. Venue of this case in this district 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).

Debtors and Debtors' Businesses

4. Debtors' businesses produce, supply and distribute ready-mix concrete, concrete block, cement and related supplies to commercial, governmental and residential contractors throughout Northeast Ohio and Southwest Florida. Debtors employ approximately 350 workers (all of whom are non-union) who are stationed across Ohio and Florida either at Debtors' Dover, Ohio headquarters or at one of twenty ready-mix plants (13 in Ohio and 7 in Florida) or three Ohio plants which produce concrete block.

5. With more than 40 years experience in the construction industry, Debtors have built a reputation of success and quality. Debtors' competitive advantages flow from their attention to timeliness and an emphasis on geographic positioning of its locations near to interstates and high traffic areas to allow for expedient delivery of materials, concrete, concrete block and cement.

6. As a result of its reputation and relationships, Debtors benefit from many longstanding and continuing relationships with all levels of government. Projects from federal, state and municipal agencies, in Ohio and Florida, provide a material portion of Debtors' work.

7. In addition to those operations in Ohio and Florida described above, through Debtor ECC, Debtors hold exclusive access to a deep-water terminal at Port Manatee on the Gulf of Mexico. The strategic positioning of Port Manatee allows Debtors to both (i) efficiently distribute imported cement and aggregates throughout Florida; and (ii) export material throughout the Gulf of Mexico region.

8. Their geographic advantages, existing relationships, reputation and import/export capabilities, uniquely situate Debtors to take advantage of opportunities resulting from Federal stimulus money over the next few years.

Individual Debtors

9. Debtor SII is an Ohio corporation headquartered in Dover, Ohio which serves as the holding company of the other Debtors. As the parent organization, SII owns, either directly or through another Debtor, all the equity interests of the other Debtors. SII is owned entirely by four members of the Schwab family.

10. Debtor MCC is an Ohio corporation headquartered in Dover, Ohio. MCC operates certain transportation systems which support the other Ohio Debtors. MCC is a wholly owned subsidiary of SII.

11. Debtor MSC is an Ohio corporation headquartered in Dover, Ohio. MSC operates eight (8) ready-mix plants in Northeast Ohio. MSC is a wholly owned subsidiary of SII.

12. Debtor TCC is an Ohio corporation headquartered in Dover, Ohio. TCC operates three (3) ready-mix plants in Northeast Ohio. TCC is a wholly owned subsidiary of SII.

13. Debtor OIS is an Ohio corporation headquartered in Dover, Ohio. OIS' operations have been substantially wound down and OIS is administering its remaining assets and liabilities. OIS is a wholly owned subsidiary of SII.

14. Debtor QBS is an Ohio corporation headquartered in Dover, Ohio. QBS operates two (2) ready-mix plants and a block plant in Northeast Ohio. QBS is a wholly owned subsidiary of SII.

15. Debtor SRM is a Florida corporation with a mailing address in Dover, Ohio. SRM operates seven (7) ready-mix plants along the gulf coast of Florida. SRM is a wholly owned subsidiary of SII.

16. Debtor SMI is a Florida corporation with a mailing address in Dover, Ohio. SMI wholly owns both ECC and a 2,100 acre plot of land (the "Orange Grove") on the gulf coast of Florida near Fort Myers that has been identified as a primary future source of aggregates (mineral materials such as sand or stone, used in making concrete) that can be mined once proper approvals are obtained. The Orange Grove is currently profitable, producing fruit and other perishables sold to third parties. SMI is a wholly owned subsidiary of SRM.

17. Debtor ECC is a Florida corporation with a mailing address in Dover, Ohio. ECC operates a modern 40,000 metric ton terminal in Port Manatee, the largest deep water port near the Panama Canal. Located on the Gulf of Mexico, Port Manatee provides outstanding access for Debtors to export and import cement and aggregates to other non-American markets. ECC uses this port access to support the sales efforts of Debtors both directly and indirectly. Specifically, ECC sells 40% of cement imported through ECC directly to SRM, and sells all other imported cement to independent companies that do not directly compete with Debtors. ECC is a wholly owned subsidiary of SMI.

Events Leading to the Chapter 11 Filing

18. Debtors are leaders in the production, supply and distribution of ready-mix concrete, concrete block, cement and related supplies to commercial, municipal and residential contractors throughout Northeast Ohio and Southwest Florida. In fiscal year 2006, they provided more than \$208 million worth of product to their customers.

19. During fiscal year 2007 and thereafter, as a result of the nationwide real estate crash and the consequential dramatic slow down in the construction industry, Debtors' operations, particularly in Southwest Florida (where real estate and new construction has steeply declined), suffered.² The decrease in sales negatively impacts Debtors' working capital availability and cash flows.

20. As of December 31, 2009, Debtors report a book value of total assets of \$104,915,117, with cash of \$672,698 and total "working capital"³ assets of \$15,854,211.

21. Similarly, as of December 31, 2009, Debtors owe their Secured Lenders⁴ pursuant to that certain Amended and Restated Credit Agreement dated October 18, 2007 (i) \$8,582,950 on account of a certain revolving line of credit (the "Revolving Line of Credit"); (ii) \$19,125,245 on account of that certain "Term A" Loan (the "Term A Loan"); and (iii) \$31,995,586 on account of that certain "Term B" Loan (the "Term B Loan" and together with the Revolving Line of Credit and the Term A Loan, the "Secured Loans"). Upon information and belief, a first priority security interest in substantially all the personal property assets of Debtors and a first

² For fiscal year ending April 30, 2007, Debtors had approximately \$197,000,000 in sales. For fiscal year ending April 30, 2008, Debtors had approximately \$144,000,000 in sales. For fiscal year ending April 30, 2009, Debtors had approximately \$103,000,000 in sales. Debtors' fiscal year ends each April 30. The decrease in sales was significantly sharper for Debtors' Florida operations.

³ "Working capital" assets are understood to be comprised of cash, accounts receivable, inventory and prepaid expenses.

⁴ The "Secured Lenders" are KeyBank, National Association, Bank of America, N.A. and The Huntington National Bank.

priority mortgage interest in substantially all the real property of the Debtors secures repayment of the Secured Loans.

22. Also, as of December 31, 2009, Debtors' financial statements report trade payables of \$13,390,149.

23. On or about January 13, 2010, the Secured Lenders notified Debtors of their default of certain obligations pursuant to the Secured Loans.

24. Debtors present cash needs are at their seasonal peak due to the slowdown in construction activity in winter and the inability to create concrete at certain temperatures.

25. Debtors have sought financing from numerous possible lending services, including key customers, such as National Lime and Stone Company, among others. Unfortunately, these efforts have been unsuccessful.

26. Debtors' unsuccessful efforts to obtain refinancing result in their current liquidity crisis. This liquidity crisis necessitates Debtors' petition for relief under Chapter 11 of the Bankruptcy Code.

RELIEF REQUESTED

27. By the Application, Debtors, pursuant to sections 327(a) and 329(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a), 2016(b) and 6003(a), seek to employ and retain Hahn Loeser & Parks LLP as their general bankruptcy counsel in these cases, *nunc pro tunc* as of the Petition Date.

BASIS FOR RELIEF REQUESTED

28. Under section 327(a) of the Bankruptcy Code, a debtor in possession is authorized to employ professional persons "that do not hold or represent an interest adverse to the estate,

and that are disinterested persons,⁵ to represent or assist the [debtor in possession] in carrying out [its] duties under this title.” 11 U.S.C. §327(a). Section 1107(b) of the Bankruptcy Code modifies sections 101(14) and 327(a) of the Bankruptcy Code in cases under Chapter 11 of the Bankruptcy Code, providing that “a person is not disqualified for employment under section 327 of [the Bankruptcy Code] by a debtor in possession solely because of such person’s employment by or representation of the debtor before the commencement of the case.” 11 U.S.C. §1107(b).

29. As required by Bankruptcy Rule 2014(a),⁶ this Application and the Oscar Declaration, set forth: (a) the specific facts showing the necessity for Hahn Loeser’s employment; (b) the reasons for Debtors’ selection of Hahn Loeser as its restructuring counsel in connection with these Cases; (c) the professional services to be provided by Hahn Loeser; (d) the arrangement among Debtors and Hahn Loeser with respect to Hahn Loeser’s compensation (as well as the reasonableness thereof); and (e) to the best of Debtors’ knowledge, the extent of Hahn Loeser’s connections, if any, to certain parties in interest in these Cases.

⁵ Section 101(14) of the Bankruptcy Code defines the phrase “disinterested person” as a person that –

- (A) is not a creditor, an equity security holder, or an insider;
- (B) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of the debtor; and
- (C) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.

11 U.S.C. §101(14).

⁶ Bankruptcy Rule 2014(a) provides that an application seeking the employment of professional persons pursuant to section 327 of the Bankruptcy Code:

Shall state the specific facts showing the necessity for the employment, the name of the person 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 person’s connections with the debtor, creditors, and 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. The application shall be accompanied by a verified statement of the person to be employed setting forth the person’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.

Fed.R.Bankr.P. 2014(a).

30. As required by Bankruptcy Rule 6003, Debtors do not seek the entry of any order authorizing the retention of a professional within twenty-one (21) days of the Petition Date.⁷ Rather, Debtors request that the Court enter an order granting the relief requested herein on or after twenty-one (21) days from the Petition Date.

Selection of Hahn Loeser

31. Debtors selected Hahn Loeser as their general bankruptcy counsel because Hahn Loeser has substantial experience and expertise in Chapter 11 cases involving business entities, as well as in the practice areas of corporate law, litigation, employee benefits, real estate, construction, secured lending, finance, taxation and other fields that may be required by Debtors in these cases. Hahn Loeser has the resources necessary to manage a Chapter 11 case of this size, complexity and scope. Hahn Loeser has represented debtors, creditors, purchasers, and other parties in interest before courts in the Sixth Circuit and in numerous other jurisdictions throughout the country, including Florida where Debtors have significant assets and operations and Hahn Loeser maintains offices.⁸

32. For these reasons, Debtors believe that Hahn Loeser possesses the requisite expertise to serve as general bankruptcy counsel in this case, and can do so in an efficient and cost-effective manner.

⁷ Bankruptcy Rule 6003 provides:

Except to the extent that relief is necessary to avoid immediate and irreparable harm, the court shall not, within 21 days after the filing of the petition, grant relief regarding the following:

- (a) an application under Rule 2014;
- (b) a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition, but not a motion under Rule 4001; and
- (c) a motion to assume or assign an executory contract or unexpired lease in accordance with §365.

Fed. R. Bankr. P. 6003.

⁸ Hahn Loeser has offices in Fort Myers and Naples Florida, as well as Indianapolis, Indiana; Cleveland, Columbus and Akron, Ohio

Services to be Provided by Hahn Loeser

33. The employment of Hahn Loeser is necessary to assist Debtors in executing faithfully their duties as debtors in possession and implementing the reorganization of Debtors' financial affairs. Subject to further order of this Court, the professional services that Hahn Loeser may render to Debtors as general bankruptcy counsel, as Debtors may request from time to time, include, without limitation:

- (a) advising Debtors of their powers and duties as debtors in possession in the continued operation of their businesses and management of their properties;
- (b) assisting, advising and representing Debtors in their consultations with creditors regarding the administration of their Cases;
- (c) providing assistance, advice and representation concerning the preparation and negotiation of a plan of reorganization and disclosure statement and any asset sales or other transactions proposed in connection with these Cases;
- (d) providing assistance, advice and representation concerning any investigation of assets, liabilities and financial condition of Debtors that may be required;
- (e) representing Debtors at hearings on matters pertaining to their affairs as debtors in possession;
- (f) representing Debtors in the negotiation and acquisition of post-petition lending;
- (g) prosecuting and defending litigation matters and such other matters that might arising during and related to these Cases, except to the extent that Debtors have employed or hereafter seek to employ special litigation counsel;
- (h) providing counseling and representation with respect to the assumption and rejection of executory contracts and leases and other bankruptcy-related matters arising from these cases;
- (i) rendering advice with respect to general corporate and litigation issues relating to these Cases, including, but not limited to, corporate finance, real estate, labor, regulatory, tax and commercial matters; and

- (j) performing such other legal services as may be necessary and appropriate for the efficient and economical administration of these Cases.

34. After due consideration and deliberation, Debtors have concluded that their interests and the interests of their respective estates and creditors will be best served by the retention of Hahn Loeser, as counsel to Debtors, to render such legal services as are necessary and appropriate in connection with the matters set forth above and to render such additional legal services as may be required from time to time during the pendency of these Cases.

35. Subject to the Court's approval of this Application, Hahn Loeser has indicated a willingness to serve as Debtors' counsel and to perform the services described above.

Professional Compensation

36. Hahn Loeser received retainer payments from Debtors in the total amount of \$180,000.00 (the "Initial Retainer") (\$25,000.00 received on January 25, 2010; \$30,000.00 received on February 3, 2010; \$40,000.00 received on February 10, 2010; \$30,000.00 received on February 12, 2010; and \$55,000.00 received on February 26, 2010),⁹ which Initial Retainer was intended for preparation of Debtors for Chapter 11 and other restructuring and related services and has been paid to Hahn Loeser for work completed in preparation of the Chapter 11. On February 12, 2010, Hahn Loeser received a further retainer in the amount of \$100,000.00 (the "Chapter 11 Retainer," and together with the Initial Retainer, the "Retainers") which is intended as a retainer for a portion of the expected fees and expenses incurred in Debtors' cases. Hahn Loeser will request that the Chapter 11 Retainer be applied to compensation as permitted by this Court from time to time.

⁹ With Debtors' consent to fully compensate Hahn Loeser for prepetition work, Hahn Loeser has applied \$33,020.46 of the Chapter 11 Retainer to subsequent work performed following February 12, 2010. As of the Petition Date, the Chapter 11 Retainer equals \$66,979.54.

37. Hahn Loeser's fees for professional services are based upon its standard hourly rates, which are periodically adjusted. Debtors, subject to Court approval in accordance with section 330(a) of the Bankruptcy Code, applicable Bankruptcy Rules, and the Orders and Local Bankruptcy Rules of this Court, proposes to pay Hahn Loeser its customary hourly rates in effect from time to time as set forth in the Oscar Declaration, plus reimbursement of actual, necessary expenses incurred by Hahn Loeser in the course of the representation. Debtors are advised that the hourly rates set forth below are subject to periodic increases in the normal course of the firm's business, often due to increased experience of a particular professional. Hahn Loeser will give prior notice to Debtors and the Court of any such periodic increases.

38. Debtors anticipate that the following Hahn Loeser attorneys and staff will assist and represent Debtors in their respective cases:

Attorney	2010 Hourly Rates
Lawrence E. Oscar	\$590.00
Daniel A. DeMarco	\$500.00
Christopher B. Wick	\$325.00
Christopher W. Peer	\$270.00
Emily W. Ladky	\$190.00
Colleen M. Beitel (paralegal)	\$210.00

39. Debtors understand that other attorneys, paralegals, and staff at Hahn Loeser may serve Debtor at similar rates from time to time in connection with these cases.

40. Consistent with the firm's policy with respect to its other clients, Hahn Loeser will continue to charge Debtors for all other services provided and for other charges and disbursements incurred in the rendition of services. These charges and disbursements include, among other things, costs for telephone charges, photocopying, travel, business meals, computerized research, messengers, couriers, postage, witness fees, and other fees related to trials, hearings, and other proceedings which may arise from time to time in these cases. Charges

and disbursements will comply with the United States Trustee's guidelines for fees and disbursements for professionals in Northern District of Ohio bankruptcy cases. Hahn Loeser will charge \$.18 per page for photocopies.

41. Hahn Loeser intends to apply to the Court for allowance of compensation for professional services and reimbursement of expenses incurred in this case in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Orders and Local Bankruptcy Rules of this Court, and as modified by Order of this Court.

Disinterestedness of Professionals

42. Hahn Loeser has undertaken a detailed database and electronic search to determine, and to disclose, whether it represents or has represented any significant creditors, insiders of Debtors and other parties in interest. In connection with its proposed retention by Debtors in these cases, Hahn Loeser conducted a search of its client database to determine whether it had any relationships with any of the material parties in interest (the "Interested Parties") in these cases.

43. Specifically, to check and clear potential conflicts of interest in the Cases, Hahn Loeser reviewed lists provided by Debtors and compared it to their client database to determine whether it had any relationships with the entities listed on the List of Parties to Search for Conflicts attached as Exhibit B to this Application, if known. As of the filing of this Application, such research indicated that except as described herein and in the Oscar Declaration, Hahn Loeser has not represented, nor does it currently represent, any of the Interested Parties in matters related or unrelated to the Cases.

44. As set forth in Exhibit 1 to the Oscar Declaration, Hahn Loeser represents or has represented certain Interested Parties on matters wholly unrelated to Debtors and these cases.

Hahn Loeser has not represented any entity, other than Debtors, in matters related to Debtors and these Cases.

45. Specifically, as noted herein and as reported to Debtors, Hahn Loeser has represented and does represent BAL Global Finance, LLC (“BAL”) which is an affiliate of Bank of America, N.A., a secured lender of Debtors (“BofA”) in matters unrelated to Debtors. Debtors have been advised of Hahn Loeser’s representation of BAL, and Debtors have engaged, subject to court approval, the Brouse McDowell law firm, to represent them in matters adverse to BofA. Under present circumstances Hahn Loeser will not represent Debtors or BofA in this engagement on matters where Debtors and BofA are directly adverse.

46. In a matter concluded in September 2009, Hahn Loeser represented The Huntington Trust Co. of Florida, as Trustee (the “Trustee”) of an irrevocable insurance trust established by an equity holder of Schwab Industries, Inc. (the “Trust”). The Trustee is an affiliate of The Huntington National Bank (“HNB”). Hahn Loeser does not believe that its past representation of the Trustee precludes Hahn Loeser from representing the Debtors in any matters involving HNB, or in any matters involving the Trustee (except as relates to the Trust). Debtors have been advised of Hahn Loeser’s past representation of the Trustee, and Debtors are concurrently seeking retention of certain ordinary course professionals to represent Debtors in matters adverse to the Trustee in respect of the Trust. Under present circumstances Hahn Loeser will not represent Debtors or the Trustee on matters pertaining to the Trust where Debtors and the Trustee are directly adverse.

47. To the best of Debtors’ knowledge, information and belief, and based upon the database search described above, Hahn Loeser neither represents nor holds any interest materially adverse to the interest of Debtors’ respective estates or any class of creditors or equity

security holders by reason of any relationship or connections with or interest in Debtors or any of their creditors or any party in interest in these cases, and is therefore “disinterested” as such term is defined in section 101(14) of the Bankruptcy Code. Hahn Loeser has no present connections with the United States Trustee in these cases or any person employed in the Office of the United States Trustee. No person who is a member or associate of Hahn Loeser is a relative of any judge of the United States Bankruptcy Court for the Northern District of Ohio or the Office of the United States Trustee for Region IX. Furthermore, no person who is a member or associate of Hahn Loeser is or has been connected with any judge of such Court or such United States Trustee so as to render the employment of Hahn Loeser improper as set forth in Rule 5002 of the Federal Rules of Bankruptcy Procedure. Prior to December 1, 1995, Pat E. Morgenstern-Clarren, United States Bankruptcy Judge for the Northern District of Ohio, was a partner at Hahn Loeser. In addition, prior to September 1, 2004, Derek E. Diaz, a partner with Hahn Loeser, was a Law Clerk for the Honorable Arthur I. Harris, United States Bankruptcy Judge for the Northern District of Ohio. Except as set forth in the Oscar Declaration, and based upon the database search described above, Hahn Loeser is not aware of the representation of any other entity that is a creditor of any Debtor.

48. Hahn Loeser is conducting a continuing inquiry into any matters which would affect the firm’s disinterested status, and Hahn Loeser will file promptly a supplemental declaration setting forth the results of that inquiry if additional disclosure is required.

NOTICE

49. Notice of this Application has been provided to (i) the office of the United States Trustee for Region IX; (ii) each of Debtors’ secured lenders (KeyBank, National Association, Huntington National Bank, and Bank of America, N.A.); counsel for the Agent for Debtors’ secured lenders; (iv) the additional creditors identified on Debtors’ consolidated list of thirty (30)

largest unsecured creditors; (v) counsel for EFO Financial Group, LLC; (vi) other known claimants having liens or security interests in property of Debtors; (vii) the Internal Revenue Service; and (viii) the United States Department of Justice. In light of the nature of the relief requested, Debtors submit that no other or further notice is necessary.

NO PRIOR REQUEST

50. No prior request for the relief sought in this Application has been made to this or any other Court.

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CONCLUSION

WHEREFORE, Debtors respectfully request entry of an order substantially in the form attached hereto as Exhibit C, granting the relief requested herein and granting such other and further relief as the Court deems just and proper.

Dated: February 28, 2010
Cleveland, Ohio

Respectfully submitted,

/s/ David R. Exley

David R. Exley,
Vice President of Administration, and Authorized
Officer on behalf of, each Debtor

Submitted By,

/s/ Lawrence E. Oscar

Lawrence E. Oscar (0022696)
Daniel A. DeMarco (0038920)
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Proposed Counsel to Debtors

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
AT CANTON**

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**DECLARATION OF LAWRENCE E. OSCAR IN SUPPORT OF
THE APPLICATION OF DEBTORS AND DEBTORS IN POSSESSION, PURSUANT TO
SECTION 327(A) AND 329(A) OF THE BANKRUPTCY CODE AND BANKRUPTCY
RULES 2014(A), 2016(B) AND 6003(A), FOR ENTRY OF AN ORDER AUTHORIZING
DEBTORS TO RETAIN AND EMPLOY HAHN LOESER & PARKS LLP
AS COUNSEL, NUNC PRO TUNC AS OF THE PETITION DATE**

STATE OF OHIO)
) ss:
COUNTY OF CUYAHOGA)

Pursuant to Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Lawrence E. Oscar declares, under the penalty of perjury, as follows:

1. I am an attorney at law admitted to practice before this Court. I am a partner of the law firm of Hahn Loeser & Parks LLP (“Hahn Loeser”) with offices at 200 Public Square, Suite 2800, Cleveland, Ohio 44114, and I am duly authorized to make the following Declaration (the “Declaration”) on behalf of Hahn Loeser. I am licensed to practice law in the United States Court of Appeals for the Sixth Circuit, the United States District Court for the Northern District of Ohio, the United States Bankruptcy Court for the Northern District of Ohio and the State of Ohio. I make this Declaration in support of the *Application of Debtors and Debtors in Possession, Pursuant to Section 327(a) and 329(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a), 2016(b) and 6003(a), for Entry of an Order Authorizing Debtors to Retain and Employ Hahn Loeser & Parks LLP as Counsel, Nunc Pro Tunc as of the Petition Date* (the “Application”)² for entry of an order authorizing Debtors to retain and employ Hahn Loeser as counsel, and for purpose of fulfilling the disclosure requirements of Federal Rules of Bankruptcy

² Capitalized terms not defined herein shall have the meanings ascribed to them in the Application.

Procedure 2014(a) and 2016(b). Except as otherwise indicated, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify competently thereto.³

Qualifications of Professionals

2. Hahn Loeser maintains an office at 200 Public Square, Suite 2800, Cleveland, Ohio 44114, and maintains other offices in Akron, Ohio; Columbus, Ohio; Indianapolis, Indiana; Naples, Florida and Fort Myers, Florida.

3. Hahn Loeser possesses the requisite experience and expertise to serve as Debtors' general bankruptcy counsel. Hahn Loeser has substantial experience and expertise in Chapter 11 cases involving business entities, as well as in the practice areas of corporate law, litigation, employee benefits, real estate, construction, secured lending, finance, taxation and other fields that may be required by Debtors in their Chapter 11 cases (the "Cases"). Hahn Loeser has the resources necessary to manage a Chapter 11 case of this size, complexity and scope. Hahn Loeser has represented debtors, creditors, purchasers, and other parties in interest before courts in the Sixth Circuit and in numerous other jurisdictions throughout the county.

4. Hahn Loeser is familiar with Debtors' businesses, financial affairs, and the circumstances surrounding Debtors' Chapter 11 filings.

Services to be Provided by Hahn Loeser

5. The employment of Hahn Loeser will assist Debtors in executing faithfully their duties as debtors in possession and implementing the reorganization of Debtors' financial affairs. Subject to further order of this Court, the professional services that Hahn Loeser may render to Debtors as their general bankruptcy counsel, as Debtors may request from time to time, include, without limitation:

³ Certain of the disclosures set forth herein relate to matters within the knowledge of other attorneys at Hahn Loeser & Parks LLP and are based on information provided by them.

- (a) advising Debtors of their powers and duties as debtors in possession in the continued operation of their businesses and management of their properties;
- (b) assisting, advising and representing Debtors in their consultations with creditors regarding the administration of these Cases;
- (c) providing assistance, advice and representation concerning the preparation and negotiation of a plan of reorganization and disclosure statement and any asset sales or other transactions proposed in connection with these Cases;
- (d) providing assistance, advice and representation concerning any investigation of assets, liabilities and financial condition of Debtors that may be required;
- (e) representing Debtors at hearings on matters pertaining to their affairs as debtors in possession;
- (f) representing Debtors in the negotiation and acquisition of post-petition financing;
- (g) prosecuting and defending litigation matters and such other matters that might arise during and related to these Cases, except to the extent that Debtors have employed or hereafter seek to employ special litigation counsel;
- (h) providing counseling and representation with respect to the assumption and rejection of executory contracts and leases and other bankruptcy-related matters arising from these Cases;
- (i) rendering advice with respect to general corporate and litigation issues relating to these Cases, including, but not limited to, corporate finance, real estate, construction, labor, regulatory, tax and commercials matters; and
- (j) performing such other legal services as may be necessary and appropriate for the efficient and economical administration of these Cases.

6. Subject to the Court's approval of the Application, Hahn Loeser is willing to serve as Debtors' counsel and to perform the services described above.

Professional Compensation

7. Prior to the commencement of these Chapter 11 Cases, Hahn Loeser received retainer payments from Debtors in the total amount of \$180,000.00 (the "Initial Retainer")

(\$25,000.00 received on January 25, 2010; \$30,000.00 received on February 3, 2010; \$40,000.00 received on February 10, 2010; \$30,000.00 received on February 12, 2010; and \$55,000.00 received on February 26, 2010),⁴ which Initial Retainer was intended for preparation for Chapter 11 and other restructuring and related services and has been applied to pay Hahn Loeser for its services in preparing for Debtors' Chapter 11 filing. On February 12, 2010, Hahn Loeser also received a further retainer in the amount of \$100,000.00 (the "Chapter 11 Retainer," and together with the Initial Retainer, the "Retainers") which is intended as a retainer for a portion of the expected fees and expenses incurred in Debtors' Cases. Hahn Loeser will request that the Chapter 11 Retainer applied to compensation as permitted by this Court from time to time.

8. Hahn Loeser's fees for professional services are based upon its standard hourly rates, which are periodically adjusted. Debtors, subject to Court approval in accordance with section 330(a) of the Bankruptcy Code, applicable Bankruptcy Rules, and the Orders and Local Bankruptcy Rules of this Court, propose to pay Hahn Loeser its customary hourly rates in effect from time to time as set forth herein, plus reimbursement of actual, necessary expenses incurred by Hahn Loeser in the course of the representation. Debtors have been advised that the hourly rates set forth below are subject to periodic increases in the normal course of the firm's business, often due to increased experience of a particular professional. Hahn Loeser will give prior notice to Debtors of any such periodic increases.

9. Hahn Loeser anticipates that the following Hahn Loeser attorneys and staff will assist Debtors in their respective cases:

Attorney	2010 Hourly Rates
Lawrence E. Oscar	\$590.00
Daniel A. DeMarco	\$500.00
Christopher B. Wick	\$325.00

⁴ With Debtors' consent to fully compensate Hahn Loeser for prepetition work, Hahn Loeser has applied \$33,020.46 of the Chapter 11 Retainer to subsequent work performed following February 12, 2010. As of the Petition Date, the Chapter 11 Retainer equals \$66,979.54.

Christopher W. Peer	\$270.00
Emily W. Ladky	\$190.00
Colleen M. Beitel (paralegal)	\$210.00

10. Other attorneys, paralegals, and staff at Hahn Loeser may serve Debtors at similar rates from time to time in connection with these cases.

11. Consistent with the firm's policy with respect to its other clients, Hahn Loeser will charge Debtors for all other services provided and for other charges and disbursements incurred in the rendition of services. These charges and disbursements include, among other things, costs for telephone charges, photocopying, travel, business meals, computerized research, messengers, couriers, postage, witness fees, and other fees related to trials, hearings, and other proceedings which may arise from time to time in these cases. Charges and disbursements will comply with the United States Trustee's guidelines for fees and disbursements for professionals in Northern District of Ohio bankruptcy cases. Hahn Loeser will charge \$.18 per page for photocopies.

12. Hahn Loeser intends to apply to the Court for allowance of compensation for professional services and reimbursement of expenses incurred in this case in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Orders and Local Bankruptcy Rules of this Court, and as modified by Order of this Court.

13. Hahn Loeser has agreed to accept as compensation such sums as may be allowed by the Court on the basis of the professional time spent, the rates charged for such services, the necessity of such services to the administration of the estate, the reasonableness of the time within which the services were performed in relation to the results achieved, and the complexity, importance, and nature of the problems, issues, or tasks addressed in these Cases.

14. Neither I, nor Hahn Loeser, nor any partner or associate thereof has received or been promised any compensation for legal services rendered or to be rendered in any capacity in connection with the Cases other than as permitted by the Bankruptcy Code.

15. Hahn Loeser has not agreed to share compensation received in connection with these Cases with any other person, except as permitted by section 504(b) of the Bankruptcy Code and Bankruptcy Rule 2016 in respect of the sharing of compensation among partners of Hahn Loeser.

Disinterestedness of Professionals

16. To the best of my knowledge, and except as otherwise set forth herein, the partners, counsel, and associates of Hahn Loeser (a) do not have any connection with Debtors, their creditors, any other party in interest, their respective attorneys and accountants, the United States Trustee or any other person employed in the Office of the United States Trustee; (b) are “disinterested persons” as that term is defined in section 101(14) of the Bankruptcy Code; and (c) do not hold or represent any interest adverse to Debtors’ respective estates.

17. Hahn Loeser has undertaken a detailed database and electronic search to determine, and to disclose, whether it represents or has represented any significant creditors, insiders of Debtors and other parties in interest (the “Potential Parties in Interest”). In connection with its proposed retention by Debtors in these Cases, Hahn Loeser conducted a search of its client database to determine whether it had any relationship with any of the Potential Parties in Interest. To the extent that this review has indicated that Hahn Loeser represents or has previously represented any of the foregoing persons or entities in matters unrelated to these cases, such persons and entities are identified in Exhibit 1 attached hereto (the “Client Match List”). Through the information generated from the above-mentioned computer inquiry, it was

determined that the representation of the clients on the Client Match List concerned matters in which such clients were not adverse to Debtors.

18. Specifically, to check and clear potential conflicts of interest in the Cases, Hahn Loeser reviewed a list provided by Debtors and compared it to Hahn Loeser's client database to determine whether it had any relationships with the entities listed on the List of Parties to Search for Conflicts attached as Exhibit B to the Application, if known. As of the filing of this Application, such research indicated that except as described herein, Hahn Loeser has not represented, nor does it currently represent, any of the foregoing entities in matters related or unrelated to the Cases.

19. Specifically, as noted herein and as reported to Debtors, Hahn Loeser has represented and does represent BAL Global Finance, LLC ("BAL") which is an affiliate of Bank of America, N.A., a secured lender of Debtors ("BofA") in matters unrelated to Debtors. Debtors have been advised of Hahn Loeser's representation of BAL, and Debtors have engaged, subject to court approval, the Brouse McDowell law firm, to represent Debtors in matters adverse to BofA. Under present circumstances Hahn Loeser will not represent Debtors or BofA in this engagement on matters where Debtors and BofA are directly adverse.

20. In a matter concluded in September 2009, Hahn Loeser represented The Huntington Trust Co. of Florida, as Trustee (the "Trustee") of an irrevocable insurance trust established by an equity holder of Schwab Industries, Inc. (the "Trust"). The Trustee is an affiliate of The Huntington National Bank ("HNB"). Hahn Loeser does not believe that its past representation of the Trustee precludes Hahn Loeser from representing the Debtors in any matters involving HNB, or in any matters involving the Trustee (except as relates to the Trust). Debtors have been advised of Hahn Loeser's past representation of the Trustee, and Debtors are

concurrently seeking retention of certain ordinary course professionals to represent Debtors in matters adverse to the Trustee in respect of the Trust. Under present circumstances Hahn Loeser will not represent Debtors or the Trustee on matters in which Debtors and the Trustee are directly adverse.

21. To the best of my information and belief, Hahn Loeser (i) has represented, (ii) currently represents, or (iii) may in the future represent in matters unrelated to the Cases the entities summarized in the Client Match List.⁵ Many of the entities on the Client Match List are identified solely because one of their affiliates might be a client of Hahn Loeser; where the listed entity is not the client, but its affiliate is or might be a client, that relationship is highlighted on the Client Match List.

22. As set forth on the Client Match List, Hahn Loeser represents or has represented certain creditors and other parties with interests in the Cases on matters wholly unrelated to Debtors and their Cases. Specifically, Hahn Loeser currently represents the following creditors (or an affiliate) on matters wholly unrelated to Debtors' Cases: Wells Fargo Bank (but not Wells Fargo Insurance Services) and BofA. Hahn Loeser has represented and does currently represent Debtors restructuring professionals, The Parkland Group, on occasion on discrete matters, however, Hahn Loeser does not represent The Parkland Group in this matter. Hahn Loeser has not represented any entity, other than Debtors, in matters related to Debtors and their respective Bankruptcy Cases.

⁵ Hahn Loeser's investigation and research of the Potential Parties in Interest has been reasonably diligent under the circumstances, but the possibility remains that certain of the Potential Parties in Interest listed on the Client Match List may be, or may be related to any, current or former clients of Hahn Loeser because (a) the names of such Potential Parties in Interest are similar, but not identical, to current or former Hahn Loeser clients or (b) the names of such Potential Parties in Interest are common names that appeared on the Client Match List but do not appear to be the same individuals or entities that are parties of interest herein.

23. To the best of Debtors' collective knowledge, information and belief, and based upon the database search described above, Hahn Loeser neither represents nor holds any interest materially adverse to the interest of Debtors' respective estates or any class of creditors or equity security holders by reason of any relationship or connections with or interest in Debtors or any of their creditors or any party in interest in these cases, and is therefore "disinterested" as such term is defined in section 101(14) of the Bankruptcy Code. Hahn Loeser has no present connections with the United States Trustee in these cases or any person employed in the Office of the United States Trustee. No person who is a member or associate of Hahn Loeser is a relative of any judge of the United States Bankruptcy Court for the Northern District of Ohio or the Office of the United States Trustee for Region IX. Furthermore, no person who is a member or associate of Hahn Loeser is or has been connected with any judge of such Court or such United States Trustee so as to render the employment of Hahn Loeser improper as set forth in Rule 5002 of the Federal Rules of Bankruptcy Procedure. Prior to December 1, 1995, Pat E. Morgenstern-Clarren, United States Bankruptcy Judge for the Northern District of Ohio, was a partner at Hahn Loeser. In addition, prior to September 1, 2004, Derek E. Diaz, a partner with Hahn Loeser, was a Law Clerk for the Honorable Arthur I. Harris, United States Bankruptcy Judge for the Northern District of Ohio.

24. Hahn Loeser will not represent any person in connection with any matter adverse to Debtors. Further, should Hahn Loeser discover during the pendency of the Chapter 11 Cases that it represents, in unrelated matters, an entity or person that has an interest adverse to Debtors, Hahn Loeser will disclose to Debtors and the Court the nature of such representation and relationship thereto.

25. To the best of my knowledge, information and belief, Hahn Loeser and all counsel, partners and associates thereof as far as I have been able to ascertain:

- (a) are not creditors of Debtors;
- (b) are not and were not, within two (2) years of the Petition Date, a director, officer or employee of any Debtor; and
- (c) do not have an interest materially adverse to the interest of Debtors' respective 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, Debtors, or for any other reason.

26. The proposed employment of Hahn Loeser is not prohibited by or improper under Rule 5002 of the Federal Rules of Bankruptcy Procedure. Hahn Loeser and the professionals it employs are qualified to represent Debtors in matters for which Hahn Loeser is proposed to be employed.

27. I have read, understand and agree to be bound by General Order 93-1 "Guidelines for Compensation and Expense Reimbursement of Professionals."

28. Accordingly, to the best of my knowledge, Hahn Loeser is a "disinterested person" as such term is defined in section 101(14) of the Bankruptcy Code as modified by section 1107(b) of the Bankruptcy Code.

[Remainder of page intentionally left blank]

29. To the extent that Hahn Loeser subsequently discovers any facts bearing on this Declaration or its representation of Debtors, this Declaration will be supplemented and those facts will be fully disclosed to the Court.

Dated: February 28, 2010

/s/ Lawrence E. Oscar

Lawrence E. Oscar

EXHIBIT 1

RELATIONSHIP BETWEEN HAHN LOESER & PARKS LLP
(“HAHN LOESER”) AND CREDITORS OF
DEBTORS AND OTHER PARTIES IN INTEREST

<u>Name</u>	<u>Relationship with Debtors</u>	<u>Relationship with Hahn Loeser</u>
The Parkland Group, Inc.	Restructuring Consultants	In matters unrelated to Debtors, Hahn Loeser has represented The Parkland Group, Inc.
Wells Fargo Insurance Services	Unsecured creditor	In matters unrelated to Debtors, Hahn Loeser has represented Wells Fargo Bank, of which Wells Fargo Insurance Services is believed to be an affiliate. Hahn Loeser has never represented Wells Fargo Insurance Services.
Crown Castle, Inc.	Unsecured creditor	In matters unrelated to Debtors, Hahn Loeser has represented and represents Crown Castle, Inc.
Wells Fargo Equipment Finance, Inc.	Equipment Lessor	In the past, in matters unrelated to Debtors, Hahn Loeser has represented Wells Fargo Equipment Finance, Inc. Hahn Loeser no longer represents Wells Fargo Equipment Finance, Inc.
KeyBank, National Association	Secured creditor	In matters unrelated to Debtors, Hahn Loeser has represented KeyBank, National Association, or its affiliates as Trustee in estate planning matters.
Bank of America, N.A.	Secured creditor	In matters unrelated to Debtors, Hahn Loeser has represented and does represent BAL Global Finance, LLC, an affiliate of Bank of America, N.A. Hahn Loeser will not represent Debtors on matters directly adverse to Bank of America, N.A.

<u>Name</u>	<u>Relationship with Debtors</u>	<u>Relationship with Hahn Loeser</u>
The Huntington National Bank	Secured creditor	<p>In the past, Hahn Loeser has represented The Huntington National Bank, including a concluded matter involving The Huntington National Bank, as Trustee (the "Trustee") of an irrevocable insurance trust established by the equity holders of Schwab Industries, Inc. This matter has concluded. Hahn Loeser does not believe that its past representation of the Trustee precludes Hahn Loeser from representing the Debtors in matters involving the Trustee. Debtors are seeking the retention of certain ordinary course professionals to represent Debtors in matters adverse to the Trustee in respect of the Trust. Under present circumstances, Hahn Loeser will not represent Debtors or the Trustee in matters where the parties are directly adverse</p>

EXHIBIT B

SCHWAB INDUSTRIES, INC et al.

LIST OF PARTIES TO SEARCH FOR CONFLICTS

AS OF FEBRUARY 9, 2010

DEBTORS:

Schwab Industries, Inc.
Medina Cartage Company
Medina Supply Company
Quality Block and Supply, Inc.
Schwab Ready Mix, Inc.
O.I.S. Tire, Inc.
Twin Cities Concrete Company
Schwab Materials, Inc.
Eastern Cement Corporation

NON-DEBTOR AFFILIATES:

Eastern Portland Cement Corp.
Gilmau Shipping Corp.

SHAREHOLDERS / OFFICERS / DIRECTORS:

Jerry A. Schwab
Donna S. Schwab (also listed occasionally as Donna L. Schwab)
David A. Schwab
Mary Lynn Schwab

CONSOLIDATED LIST OF TOP 40 GENERAL UNSECURED CREDITORS

Holcim, Ltd.
Cemex (aka Cemex USA Concrete)
Holcim (US), Inc.
National Lime and Stone Co.
St. Mary's Cement Group
Wells Fargo TPA (aka Wells Fargo Insurance Services)
Euclid Chemical Company
Quicken Loans Arena
Express Scripts, Inc.
Haydite DiGeronimo Aggregates LLC
Oster Sand and Gravel
Stewart Mining, Inc.
Brugmann Sand and Gravel

LaFarge Corporation
Icard Merrill Cullis Timm
Hanson Aggregates
Westfield Group
Bruner Cox LLP
Lakeside Sand and Gravel, Inc.
Bonita Grande Mining, LLC
Barry Land Development
Florida Rock Industries, Inc.
Berner Trucking, Inc.
Palmdale Oil Company
Professional Bulk
Dealers Supply Company
Headwaters Resources (aka Headwaters Incorporated)
Westfield Group-O
Bessemer Supply
Crop Productions Services
Martin Marietta Materials
Flynn's of Ohio, Inc.
Soehnlén Brothers Sand and Gravel
Charles Svec, Inc.
Great Lakes Petroleum Company
Ford & Harrison LLP
Cramblett Trucking, Inc.
Silver Brothers, Inc.
Oberfield's, Inc.
Boral Material Technologies, Inc.
PGBC
BWC State Insurance Fund
Westfield Group - Kentucky

PROFESSIONALS:

Hahn Loeser & Parks LLP
Budish, Solomon, Steiner & Peck, Ltd.
Bruner-Cox LLP
The Parkland Group
Western Reserve Partners, LLC
The Garden City Group

DEPOSITORY BANKS:

Key Bank, National Association
Bank of America, N.A.
National City Bank
Huntington National Bank

SECURED CREDITORS:

KeyBank National Association
The Huntington National Bank
Bank of America, N.A.
IBM Credit LLC
TCF Equipment Finance, Inc.
Ladco Financial Group
Wells Fargo Equipment Finance, Inc.

OTHER INTERESTED PARTIES:

Darrell Markijohn
Ernst & Young
Port of Manatee
Stonehill Financial
Manatee County Port Authority
Wells Fargo Insurance Services

NON-DEBTOR PARTIES TO EXECUTORY CONTRACTS:

Billy Creek, LLC
KTB Florida Sports Arena, LLC
Holcim (US) Inc.
GE Capital
Manatee County Port Authority
Mast Family Culligan
ModSpace
Pitney Bowes
Crown Castle International
The National Lime and Stone Company
RentWear
Oster Sand & Gravel, Inc.
The Arena at Gateway
Summit Ready Mix Supply Co.
Central Allied Enterprises, Inc.
Bundschu/Kraft, Inc.
FL Smidth
South Florida Stadium Corporation d/b/a Pro Player Stadium
Copeco
DDI Leasing, Inc.
Meritech, Inc.
Verizon
Qwest Communications Corporation
Staley
Mark Newhart

CCT Financial Corporation
University of South Florida, Board of Trustees

LITIGATION

Antitrust Litigation:

Superior Concrete and Florida Building Materials, Inc.
Daniel Morgan Construction, Inc.
Shear Construction and Development, Inc.
Square D. Homes, Inc.
Action Ready – Mix Concrete, Inc.
Nuspace, Inc.
Marathon Seawalls & Docks, Inc.
Keys Grading and Paving, Inc.
Deeb Construction & Development Company
Action Ready Mix Concrete Inc.
Advantage Concrete of Florida, Inc.
Puder-Siegel Homes at Mizner Falls, Inc.
Home Building Materials, Inc.
Dakota Land Company
Florida Block & Ready Mix
Bay Area Remodelers, Inc.
Asterisk Luxury Homes, Inc.
Liberty Concrete and Masonry, Inc.
Bandes Construction Company, Inc.
Coscan Construction, LLC
Kroeger Enterprises, Inc.
Carpenter Contractors of America, Inc.
Family Pools, Inc.
Hard Rock Materials

Jam Tire Inc.
James E. Jones, Jr.
Michael P. McMasters, Jr.
Paul Qojnicz
PC Construction Inc.
Donna D. Digiandomenico
Charles Schwab & Co. Inc.
Holy Family Credit Union
Third Federal Savings & Loan
Huntington Bank
Charter One Bank
Wells Fargo Bank NA
JPMorgan Chase Bank, successor by merger to Bank One, NA
Dennis Gulcin

Evan Gulcin
Kennat Companies
Alex Kennat
R.J Mascia Concrete Inc.
RJ Mascia Corp.
Russell J. Mascia
Paul Wojnicz
P C Construction Inc.
Atlas Concrete Walls Inc.
Robert A. Knittel
Terrance L. Moser
Terry Moser
Moser Construction Inc.
Frank J. Dettore
All Purpose Construction Inc.
King Paving
Lisa A. Davis
Brian E. Davis
Concrete Paving Inc.
West End Land Development Inc.
All Concrete Construction Inc.

EXHIBIT C

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
AT CANTON**

----- X
In re: : Chapter 11
SCHWAB INDUSTRIES, INC.,¹ :
Debtor. : Case No. 10-60702
: Judge Russ Kendig
: Joint Administration Pending
----- X

----- X
In re: : Chapter 11
MEDINA CARTAGE CO., :
Debtor. : Case No. 10-60703
: Judge Russ Kendig
: Joint Administration Pending
----- X

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's tax identification number are: Schwab Industries, Inc. (2467); Medina Cartage Co. (9373); Medina Supply Company (3995); Quality Block & Supply, Inc. (2186); O.I.S. Tire, Inc. (7525); Twin Cities Concrete Company (9196); Schwab Ready-Mix, Inc. (8801); Schwab Materials, Inc. (8957); and Eastern Cement Corp. (7232).

In re: : Chapter 11
: :
MEDINA SUPPLY COMPANY, : Case No. 10-60704
: :
Debtor. : Judge Russ Kendig
: :
: Joint Administration Pending

----- X
In re: : Chapter 11
: :
QUALITY BLOCK & SUPPLY, INC., : Case No. 10-60705
: :
Debtor. : Judge Russ Kendig
: :
: Joint Administration Pending

----- X
In re: : Chapter 11
: :
O.I.S. TIRE, INC., : Case No. 10-60706
: :
Debtor. : Judge Russ Kendig
: :
: Joint Administration Pending

----- X
In re: : Chapter 11
: :
TWIN CITIES CONCRETE COMPANY, : Case No. 10-60707
: :
Debtor. : Judge Russ Kendig
: :
: Joint Administration Pending

----- X
In re: : Chapter 11
: :
SCHWAB READY-MIX, INC., : Case No. 10-60708
: :
Debtor. : Judge Russ Kendig
: :
: Joint Administration Pending

----- X

In re: : Chapter 11
: :
SCHWAB MATERIALS, INC., : Case No. 10-60709
: :
Debtor. : Judge Russ Kendig
: :
: Joint Administration Pending

----- X
In re: : Chapter 11
: :
EASTERN CEMENT CORP., : Case No. 10-60710
: :
Debtor. : Judge Russ Kendig
: :
: Joint Administration Pending

----- X

ORDER APPROVING APPLICATION OF DEBTORS AND DEBTORS IN POSSESSION, PURSUANT TO SECTIONS 327(A) AND 329(A) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2014(A), 2016(B) AND 6003(A), FOR ENTRY OF AN ORDER AUTHORIZING DEBTORS TO RETAIN AND EMPLOY HAHN LOESER & PARKS LLP AS COUNSEL, NUNC PRO TUNC AS OF THE PETITION DATE

Upon consideration of the application, dated February 28, 2010 (the “Application”), of Schwab Industries, Inc., and its affiliated and related debtors and debtors-in-possession* (collectively, the “Debtors”), for entry of an order approving Debtors’ retention of Hahn Loeser & Parks LLP (“Hahn Loeser”) as general bankruptcy counsel for Debtors; and based upon the *Affidavit of David R. Exley in Support of Chapter 11 Petitions and First-Day Motions* (the “Exley Affidavit”), filed concurrently with the Application, and the *Declaration of Lawrence E. Oscar in Support of the Application of Debtors and Debtors in Possession, Pursuant to Section 327(a) and 329(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a), 2016(b) and 6003(a), for Entry of an Order Authorizing Debtors to Retain and Employ Hahn*

* The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s tax identification number are: Schwab Industries, Inc. (2467); Medina Cartage Co. (9373); Medina Supply Company (3995); Quality Block & Supply, Inc. (2186); O.I.S. Tire, Inc. (7525); Twin Cities Concrete Company (9196); Schwab Ready-Mix, Inc. (8801); Schwab Materials, Inc. (8957); and Eastern Cement Corp. (7232).

Loeser & Parks LLP as Counsel, Nunc Pro Tunc as of the Petition Date (the “Oscar Declaration”) attached to the Application; and after due deliberation and hearing, this Court finds that: (i) it has jurisdiction over the matters raised in the Application under 28 U.S.C. §§157 and 1334; (ii) venue of this matter is proper under 28 U.S.C. §§1408 and 1409; (iii) this matter is a core proceeding under 28 U.S.C. §157(b)(2); (iv) the relief requested in the Application is in the best interests of Debtors, their estates, creditors, and other parties in interest; (v) adequate and proper notice of the Application and the hearing thereon has been given and that no other or further notice is necessary; and (vi) good and sufficient cause exists for the granting of the relief requested in the Application as set forth herein. Accordingly,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Application is GRANTED and APPROVED in its entirety.
2. Capitalized terms not defined herein shall have the meaning ascribed thereto in the Application.
3. In accordance with sections 327(a) and 328 of the Bankruptcy Code, and Rules 2014, 2016 and 6003(a) of the Bankruptcy Rules, Debtors shall be and hereby are authorized and empowered to employ and have retained Hahn Loeser as their general bankruptcy counsel, *nunc pro tunc*, for the matters referred to in the Application, as of the Petition Date, during the pendency of these Cases.
4. The Retainers held by Hahn Loeser are approved and, to the extent not applied to prepetition fees, shall be held in trust and applied against any approved and unpaid fees and out-of-pocket expenses that may remain unpaid at the termination of the engagement of Hahn Loeser, or upon further Order of this Court, with any unearned balance remaining at that time to be refunded to Debtors, all in accordance with the orders of the Court.

5. In connection with the services to be rendered by Hahn Loeser, Hahn Loeser shall receive compensation and reimbursement of expenses in accordance with the provisions of sections 327, 330 and 331 of the Bankruptcy Code and any applicable order of the Court.

6. The Court shall retain jurisdiction to hear and determine all matters emanating from this Order.

7. This Order shall be immediately effective and enforceable upon entry.

IT IS SO ORDERED.

###

Prepared and Submitted by:

/s/ Lawrence E. Oscar

Lawrence E. Oscar (0022696)
Daniel A. DeMarco (0038920)
Christopher B. Wick (0073126)
Christopher W. Peer (0076257)
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E-mail: leoscar@hahnlaw.com
dademarco@hahnlaw.com
cwick@hahnlaw.com
cpeer@hahnlaw.com

Proposed Counsel to the Debtors