

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

-----	X	
	:	Chapter 11
In re:	:	
	:	Case No. 10-60702
SCHWAB INDUSTRIES, INC., ¹	:	
	:	Judge Russ Kendig
Debtor.	:	
	:	Joint Administration Pending
-----	X	
	:	Chapter 11
In re:	:	
	:	Case No. 10-60703
MEDINA CARTAGE CO.,	:	
	:	Judge Russ Kendig
Debtor.	:	
	:	Joint Administration Pending
-----	X	
	:	Chapter 11
In re:	:	
	:	Case No. 10-60704
MEDINA SUPPLY COMPANY,	:	
	:	Judge Russ Kendig
Debtor.	:	
	:	Joint Administration Pending
-----	X	
	:	Chapter 11
In re:	:	
	:	Case No. 10-60705
QUALITY BLOCK & SUPPLY, INC.,	:	
	:	Judge Russ Kendig
Debtor.	:	
	:	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
: :
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

**APPLICATION OF DEBTORS AND DEBTORS IN POSSESSION, PURSUANT
TO 11 U.S.C. §§327 AND 328, FOR ENTRY OF AN ORDER AUTHORIZING
EMPLOYMENT AND RETENTION OF BROUSE MCDOWELL, LPA AS SPECIAL
COUNSEL FOR DEBTORS, *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 11 U.S.C. §§327 and 328, for entry of an order authorizing and approving the employment and retention of Brouse McDowell, LPA (“Brouse”) as Special Counsel for Debtors. In support of this Application, Debtors incorporate the *Verified Declaration of Marc B. Merklin in Support of the Application of Debtors and Debtors in Possession, Pursuant to 11 U.S.C. §§327 and 328, Authorizing Employment and Retention of Brouse McDowell, LPA as Special Counsel for Debtors, Nunc Pro Tunc as of the Petition Date* (the “Merklin 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 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.

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.

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. Debtors seek entry of an order authorizing the appointment of Brouse as special counsel in matters wherein their bankruptcy counsel Hahn Loeser & Parks LLP ("Hahn Loeser") are unable to provide counsel to Debtors, specifically including matters related to Bank of America, NA ("BofA"). Debtors believe that Brouse is well-qualified to serve in this capacity and that Brouse's retention is in the best interests of Debtors' respective estates and their creditors.

BASIS FOR RELIEF REQUESTED

28. Debtors require retention of and seek to retain Brouse as special counsel ("Special Counsel") to serve as counsel when primary counsel is unable to do so.

29. Hahn Loeser has notified Debtors that it has an unavoidable conflict and is unable to represent Debtors in matters directly adverse to BofA. Hahn Loeser will not handle any such representation, and, to the extent Debtors require counsel in contested matters against BofA, Debtors desire to retain Brouse.

A. Brouse's Qualifications

30. Brouse is well qualified to provide the legal services for which Debtors propose to retain it in this case. Brouse has substantial experience in bankruptcy matters, specifically

including bankruptcy litigation, business reorganizations and financial restructurings. It is expected that these specific areas at issue for Debtors.

31. Debtors, Brouse and Hahn Loeser will work closely to ensure that no duplication of services occurs between Brouse and Hahn Loeser.

32. Brouse is willing to accept this engagement.

B. Services to Be Provided

33. The services to be provided by Brouse under the terms of this Application are generally limited to matters that Hahn Loeser is unable to perform due to unavoidable conflicts. As Special Counsel, Brouse will provide the following services to Debtors:

- (a) represent Debtors in all matters directly adverse to BofA;
- (b) represent Debtors in all matters where Hahn Loeser is unable to represent Debtors; and
- (c) represent Debtors in any other matters agreed upon by Brouse and Debtors.

34. The engagement of Brouse to represent Debtors with respect to the matters for which its retention is proposed will allow Debtors and their restructuring counsel to benefit significantly from the relationship between Debtors and Brouse. It will also provide Debtors with competent conflicts counsel of their choice as needed. The engagement of Brouse is therefore in the best interests of Debtors' estates and its creditors.

C. Compensation

35. Subject to the Court's allowances, Brouse has agreed to provide legal services at its ordinary and customary hourly rates in effect on the date services are rendered for services (the "Hourly Fees"). The following Brouse professionals are expected to work on this engagement, and their respective billing rates are as follows:

Attorney/Staff	2010 Hourly Rates
Marc B. Merklin	\$350.00
Kate M. Bradley	\$250.00
Alan M. Koschik	\$275.00
Jessica E. Price	\$265.00
Nicholas P. Capotosto	\$210.00
Susan P. Taylor	\$185.00
Mary M. Swann	\$170.00
Bridget A. Franklin	\$165.00
Theresa M. Palcic	\$145.00

36. Brouse received a retainer payment in the amount of \$20,000 (the “Retainer”) for this engagement. The Retainer will be held in Trust by Brouse to be applied to amounts due and as authorized by the Court. Brouse will request the Retainer be applied to compensation as permitted by this Court.

37. Debtors wish to employ and retain Brouse, and believe that the Hourly Fees are fair and appropriate for the services Brouse has been asked to provide. Subject to this Court’s approval, Brouse has agreed to be employed and retained pursuant to such terms and conditions.

38. Debtors understand that Brouse will charge Debtors for expenses it incurs in connection with the Cases as charged generally to bankruptcy and non-bankruptcy clients alike, and in accordance with the applicable guidelines.

39. Debtors understand that Brouse will charge Debtors for the fees and expenses as stated above, and that all fees and expenses shall be subject to this Court’s final review and approval after the filing of an application for compensation in accordance with sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Rules of this Court.

40. Brouse intends to apply to the Court for compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy

Rules and the Local Rules of this Court, and pursuant to any additional procedures that may be established by the Court in this case.

D. Matters Relevant to The Retention of Brouse

41. To the best of Debtors' knowledge, information and belief, other than as disclosed herein, Brouse has no connection with Debtors, their creditors, the United States Trustee or any other party in interest in this case, or their respective attorneys or accountants (based on its investigation of its client lists as of the date of this Application) and does not hold or represent any other known or reasonably ascertainable interest adverse to Debtors in the matters upon which it is engaged.

42. Brouse will not represent any person or entity in connection with any matters adverse to Debtors. Further, should Brouse discover during the pendency of these Cases that it represents an entity or person that is a creditor in these Cases, it will fully disclose to the Court the nature of its representation and relationship thereto.

43. To check and clear potential conflicts of interest in the Cases, Brouse reviewed the List of Parties to Search for Conflicts attached hereto as Exhibit B and compared it to its client database to determine whether it had any relationships with the listed entities, if known. As of the filing of this Application, such research indicated that Brouse has not represented, nor does it currently represent any of the foregoing persons or entities in matters related or unrelated to the Cases except as stated herein and in the Merklin Declaration.

44. Brouse has represented and continues to represent West End Land Development, Inc. in matters wholly unrelated to these proceedings. Brouse will not represent West End Land Development in any matter related to these Chapter 11 proceedings.

45. Brouse does not currently represent Huntington National Bank on any matters, but has been in discussions with Huntington about doing some work in the future. If Brouse does

such work, Huntington has already agreed to waive any conflict as long as Brouse represents parties on matters unrelated to any matters in which Brouse represents Huntington. Brouse would under no circumstances represent Huntington on any matter related to these cases, nor will any Brouse personnel who work on any matters for the Debtors work on any matters for Huntington National Bank.

46. Brouse has represented and continues to represent the State of Ohio Department of Taxation, Ohio Department of Job & Family Services, and the State of Ohio Bureau of Workers' Compensation in matters wholly unrelated to these proceedings. It is not known whether the State of Ohio has any claims in these cases, but Brouse will not represent the State of Ohio in any matter related to these Chapter 11 proceedings.

47. Further, Brouse will not represent any person or entity in connection with any matter adverse to Debtors or their estates. Should Brouse discover during the pendency of these Cases that it represents any entity or person that is adverse to Debtors, it will fully disclose to the Court the nature of its representation and relationship thereto.

48. To the best of Debtors' knowledge, information and belief, Brouse represents no interest adverse to Debtors in the matters for which it is proposed to be employed and will not represent any creditor of Debtors or any other party in this case in any matter that is related to these Bankruptcy Cases. Brouse has informed Debtors that, except as is fully set forth in the Application and in the Merklin Declaration, that it has no other known connection with Debtors, their creditors, the United States Trustee or other parties in interest in these Bankruptcy Cases (based on its investigation of its client lists as of the date of filing of this Application) and does not hold or represent any other known or reasonably ascertainable interest adverse to Debtors' estates in the matters upon which it is to be engaged.

49. Brouse rendered services to Debtors prior to the Petition Date, but is owed no amounts from Debtors as of the Petition Date.

50. Debtors believe that it is in the best interest of their estates and their creditors for Debtors to be authorized to employ Brouse as special counsel in matters wherein their general bankruptcy counsel Hahn Loeser are unable to provide counsel to Debtors, specifically in matters related to BofA.

NOTICE

51. 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 APPLICATIONS

52. No previous application for the relief sought herein had been made by Debtors to this Court or any other court.

CONCLUSION

53. At the request of Debtors, Brouse has agreed to begin to render services to or on behalf of Debtors as of the date of this Application. Accordingly, Debtors request that (i) the retention of Brouse be approved *nunc pro tunc* as of the Petition Date; (ii) the Court enter the Order attached hereto as Exhibit C; and (iii) grant Debtors such other relief to which they are entitled.

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)
Christopher B. Wick (0073126)
Christopher W. Peer (0076257)
HAHN LOESER & PARKS LLP
200 Public Square, Suite 2800
Cleveland, Ohio 44114
Telephone: (216) 621-0150
Facsimile: (216) 241-2824
E-mail: leoscar@hahnlaw.com
dademarco@hahnlaw.com
cwick@hahnlaw.com
cpeer@hahnlaw.com

Proposed Counsel to Debtors

EXHIBIT A

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

-----	X	
In re:	:	Chapter 11
	:	
SCHWAB INDUSTRIES, INC., ¹	:	Case No. 10-60702
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Debtor.	:	Judge Russ Kendig
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	:	Joint Administration Pending
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In re:	:	Chapter 11
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MEDINA CARTAGE CO.,	:	Case No. 10-60703
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Debtor.	:	Judge Russ Kendig
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In re:	:	Chapter 11
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MEDINA SUPPLY COMPANY,	:	Case No. 10-60704
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Debtor.	:	Judge Russ Kendig
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	:	Joint Administration Pending
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In re:	:	Chapter 11
	:	
QUALITY BLOCK & SUPPLY, INC.,	:	Case No. 10-60705
	:	
Debtor.	:	Judge Russ Kendig
	:	
	:	Joint Administration Pending
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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).

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Debtor. : Judge Russ Kendig
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In re: : Chapter 11
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TWIN CITIES CONCRETE COMPANY, : Case No. 10-60707
: :
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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In re: : Chapter 11
: :
EASTERN CEMENT CORP., : Case No. 10-60710
: :
Debtor. : Judge Russ Kendig
: :
: Joint Administration Pending

----- X

**VERIFIED DECLARATION OF MARC B. MERKLIN IN SUPPORT OF THE
APPLICATION OF DEBTORS AND DEBTORS IN POSSESSION, PURSUANT TO
11 U.S.C. §§327 AND 328, AUTHORIZING EMPLOYMENT AND RETENTION OF
BROUSE MCDOWELL, LPA AS SPECIAL COUNSEL FOR DEBTORS,
NUNC PRO TUNC AS OF THE PETITION DATE**

STATE OF OHIO)
) SS:
COUNTY OF SUMMIT)

I, Marc B. Merklin, first duly sworn, depose and states under penalty of perjury, as follows:

1. I am a shareholder in the firm of Brouse McDowell, LPA (“Brouse”), which maintains offices for the practice of law at 388 South Main Street, Suite 500; Akron, Ohio 44311-4407, and I am duly authorized to make the following Verified Declaration on behalf of Brouse. The facts set forth in this Verified Declaration are personally known to me and, if called as a witness, I would testify thereto. Unless otherwise defined herein, all capitalized terms have the meaning ascribed to them in the *Application of Debtors and Debtors in Possession, Pursuant to Sections 327(a) and 328 of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 6003(a), for the Entry of an Order Authorizing Employment and Retention of Brouse McDowell, LPA as Special Counsel for Debtors, Nunc Pro Tunc as of the Petition Date* (the “Application”)

2. Brouse has agreed to advise and represent 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”), according to the terms and conditions contained in the retention letter attached to this Verified Statement as Exhibit 1. I make this Verified Declaration in support of the Application and for the purpose of

fulfilling the disclosure requirements of section 327(a) of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2014(a) and 2016(a).

3. Neither I, nor Brouse, nor any of its professionals, as far as I have been able to ascertain after reasonable investigation, have any connection with Debtors, their creditors, the United States Trustee or any other party, or their respective attorneys or accountants (based on its investigation of its client lists as of the date of this Application) or hold or represent any other known or reasonably ascertainable interest adverse to Debtors in the matters upon which it is engaged.

4. Brouse will not represent any person in connection with any matter adverse to Debtors or their estates, and in any event will not provide services to any of the owners of the Debtor entities. Further, should Brouse discover during the pendency of the Cases that it represents, in unrelated matters, an entity or person that has an interest adverse to Debtors in these Cases, Brouse will disclose such information to Debtors and the Court the nature of such representation and relationship thereto.

5. To the best of my knowledge, other than as disclaimed below, Brouse has not provided legal services or representation to any person or entity having a claim or interest adverse to Debtors in connection with Debtors' Cases nor, at any material time, provided legal advice or representation to any entity in connection with a matter adverse to Debtors.

6. To the best of my knowledge, and other than as disclosed herein, Brouse and its associates do not have any relation to or connection with any judge of this Court or with the United States Trustee for this region or any person employed in the Office of the United States Trustee so as to render the employment of Brouse improper as set forth in Rule 5002 of the Federal Rules of Bankruptcy Procedure.

7. Neither I, Brouse, nor any member or associate thereof, insofar as I have been able to ascertain, holds any interest materially adverse to the interest of Debtors' estates or to any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in Debtors.

8. Brouse does not hold any equity or debt security interest of Debtors, and no principal, shareholder or associate of Brouse, insofar as I have been able to ascertain, is, or has been within two years prior to the commencement of these Cases, a trustee, officer or employee of Debtors.

9. Notwithstanding the foregoing, various employees of Brouse may have business associations with certain creditors, or other parties in interest that have no connection with Brouse's representation of Debtors.

10. To the best of my knowledge, no shareholder or associate in Brouse is a creditor of Debtors.

11. Brouse has been paid a retainer of \$20,000 (the "Retainer"), which was paid on February 26, 2010 by wire.

12. To check and clear potential conflicts of interest in the Cases, Brouse reviewed the List of Parties to Search for Conflicts attached to the Application as Exhibit B, and compared it to its client database to determine whether it had any relationships with the listed entities, if known. As of the filing of this Application, such research indicated that Brouse has not represented, nor does it currently represent any of the foregoing persons or entities in matters related or unrelated to the Cases, except as stated herein.

13. Brouse has represented and continues to represent West End Land Development, Inc. in matters wholly unrelated to these proceedings. Brouse will not represent West End Land Development in any matter related to these Chapter 11 proceedings.

14. Brouse does not currently represent Huntington National Bank on any matters, but has been in discussions with Huntington about doing some work in the future. If Brouse does such work, Huntington has already agreed to waive any conflict as long as Brouse represents parties on matters unrelated to any matters in which Brouse represents Huntington. Brouse would under no circumstances represent Huntington on any matter related to the Cases, nor will any Brouse personnel who work on any matters for the Debtors work on any matters for Huntington National Bank.

15. Brouse has represented and continues to represent the State of Ohio Department of Taxation, Ohio Department of Job & Family Services, and the State of Ohio Bureau of Workers' Compensation in matters wholly unrelated to these proceedings. It is not known whether the State of Ohio has any claims in these cases, but Brouse will not represent the State of Ohio in any matter related to these Chapter 11 proceedings.

16. Subject to the Court's allowances, Brouse agrees to provide legal services at its ordinary and customary hourly rates in effect on the date services are rendered. The following Brouse professionals are expected to work on this engagement, and their respective billing rates are as follows:

Attorney	2010 Hourly Rates
Marc B. Merklin	\$350.00
Kate M. Bradley	\$250.00
Alan M. Koschik	\$275.00
Jessica E. Price	\$265.00
Nicholas P. Capotosto	\$210.00
Susan P. Taylor	\$185.00
Mary M. Swann	\$170.00
Bridget A. Franklin	\$165.00
Theresa M. Palcic	\$145.00

17. Brouse will also charge Debtors for expenses it incurs in connection with the Cases as charged generally to bankruptcy and non-bankruptcy clients alike, within applicable guidelines.

18. Brouse believes that the fees stated are fair and appropriate for the services Brouse has been asked to provide. Brouse intends to apply to the Court pursuant to section 328(a) for its compensation in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of this Court, and pursuant to any additional procedures that may be established by the Court in these Cases.

19. I believe Brouse, and each member, shareholder and associate thereof, is a “disinterested person” with the meaning of sections 101(14) and 327(a) of the Bankruptcy Code.

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

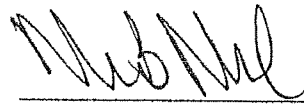
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Dated: February 28, 2010

/s/ Marc B. Merklin

Marc B. Merklin

Dated: February 26, 2010



Marc B. Merklin

EXHIBIT 1

BROUSE McDOWELL
A LEGAL PROFESSIONAL ASSOCIATION

Marc B. Merklin
Attorney at Law
Direct Dial: 330.434.6919
mmerklin@brouse.com

388 South Main Street
Suite 500
Akron, OH 44311-4407
Office: 330.535.5711
Fax: 330.253.8601
1001 Lakeside Avenue
Suite 1600
Cleveland, OH 44114-1151
Office: 216.830.6830
Fax: 216.830.6807
www.brouse.com

February 24, 2010

VIA EMAIL

Schwab Industries, Inc.
PO Box 400
Dover, OH 44622
Attn: David Schwab, President

RE: Legal Representation

Dear Mr. Schwab:

We are pleased that you have asked Brouse McDowell (the "Firm") to serve as Special Counsel for Schwab Industries, Inc. (the "Company") to assist in any matters and its contemplated Chapter 11 case involving financing or matters related to issues involving the lenders which include Huntington National Bank, Key Bank and Bank of America and such other matters as the Company or its restructuring counsel request of us. This letter will confirm our discussion with you regarding the Company's engagement of this Firm and will describe the basis on which our Firm will provide legal services to the Company.

Accordingly, we submit for your approval the following provisions governing our engagement. If you are in agreement, please sign the enclosed copy of this letter in the space provided below. If you have any questions about these provisions, or if you would like to discuss possible modifications, do not hesitate to call. Again, we are pleased to have the opportunity to serve you.

1. *Client; Scope of Representation.* Our client in this matter will be Schwab Industries, Inc. and certain of its affiliates as listed on the attached Exhibit A (collectively the "Debtors"). We will be engaged to advise the Debtors solely in connection with matters involving financing or matters related to issues involving the lenders including any bankruptcy proceedings filed under Chapter 11 of the Bankruptcy Code including DIP financing, use of cash collateral, equity protection and similar issues. You understand that we do not and will not represent any shareholder, member, officer or director in an individual capacity. You may limit or expand the scope of our representation from time to time, provided that any substantial expansion must be agreed to by us.
2. *Term of Engagement.* Either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional conduct.

In the event that we terminate the engagement, we will take such steps as are reasonably practicable to protect your interests in the above matter.

3. *Conclusion of Representation; Retention and Disposition of Documents.* Unless previously terminated, our representation of the Company will terminate upon our sending you our final statement for services rendered in this matter. Following such termination, any otherwise nonpublic information you have supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request, your papers and property will be returned to you promptly upon receipt of payment for outstanding fees and costs. Our own files pertaining to the matter will be retained by the Firm. These Firm files include, for example, Firm administrative records, time and expense reports, personnel and staffing materials, and credit and accounting records; and internal lawyers' work product such as drafts, notes, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of lawyers. All such documents retained by the Firm will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement.
4. *Post-Engagement Matters.* You are engaging the Firm to provide legal services in connection with a specific transaction. After completion of the matter, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you engage us after completion of the matter to provide additional advice on issues arising from the matter, the Firm has no continuing obligation to advise you with respect to future legal developments.
5. *Retainer.* Our representation shall commence upon your execution of this letter and our receipt of an initial retainer of \$25,000 which shall be replenished upon request so that at no time are there outstanding fees payable to the Firm that are not covered by the retainer. The retainer will be held by us and applied to any final bill in this matter (or as otherwise may be permitted or directed by the Bankruptcy Court). The retainer is to be held by the Firm as security for fees and does not excuse payment of ordinary monthly invoices with the retainer to be applied at the end of the engagement to any outstanding fees at that time to the extent fees are permitted to be paid under the Bankruptcy Code or any order issued by the Bankruptcy Court.
6. *Fees and Expenses.* Our fees will be based on the billing rate for each attorney and legal assistant devoting time to this matter. Our billing rates for attorneys currently range from \$140 per hour for new associates to \$400 per hour for senior partners. Time devoted by legal assistants is charged at billing rates ranging from \$120 to \$145 per hour. These billing rates are subject to change from time to time.

We typically incur and pay direct expenses on behalf of our clients. Such direct costs and expenses may include, but are not limited to, outside copying services, filing fees, witness fees, deposition transcripts, recording services, consultant fees, travel costs, lodging charges, and out-of-town meals. We are not obligated to advance direct costs and expenses on your behalf, but when we do, we do so as your agent upon the understanding that these costs and expenses will be paid on a regular basis.

Unless otherwise specifically agreed with you in writing, indirect costs and expenses are those considered incidental to the provision of legal services and are included within the hourly rates of the attorneys or other professionals. These include postage, Federal Express, facsimile and telephone charges, and in-house copying charges. An exception exists for mass mailings, if any, done to creditors or creditor groups, if required, under the Bankruptcy Code, in which case we reserve the right to bill you for copy costs and postage with regard to such mailings.

Statements normally will be rendered monthly for work performed and expenses recorded on our books during the previous month. Payment is due promptly upon receipt of our statement. If any statement remains unpaid for more than 45 days, we may suspend performing services for you.

As we have discussed, the fees and costs relating to this matter are not predictable. Accordingly, we have made no commitment to you concerning the maximum fees and costs that will be necessary to resolve or complete this matter. It is also expressly understood that payment of the Firm's fees and costs is in no way contingent on the ultimate outcome of the matter.

7. *Client Responsibilities.* You agree to cooperate fully with us and to provide promptly all information known or available to you relevant to our representation. You also agree to pay our statements for services and expenses in accordance with the foregoing paragraphs.
8. *Conflicts.* As we have discussed, you are aware that the Firm represents many other companies and individuals. It is possible that during the time that we are representing the Company, some of our present or future clients will have disputes or transactions with the Company. The Company agrees that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse. We agree, however, that your prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage.

Schwab Industries, Inc.
February 24, 2010
Page 4



As we have disclosed to you, we do not currently represent Huntington National Bank on any matters, but we have been in discussions with Huntington about doing some work in the future. If we do such work, Huntington has already agreed to waive any conflict as long as we represent parties on matters unrelated to any matters in which we represent Huntington. We would under no circumstances represent Huntington on any matter involving the client referenced in this engagement letter, nor will any Brouse McDowell personnel who work on any matters for the Company work on any matters for Huntington National Bank. On that basis, you have agreed that we can represent the Company and waive any objection to future unrelated work for Huntington National Bank.

In connection with the Chapter 11 filing, we will run a conflict check on all creditors and other parties in interest and disclose any representation of such parties to you and to the Bankruptcy Court in accordance with the requirements of applicable law.

If these terms are acceptable to you, please sign below and return to me at your earliest convenience. Once again, we are pleased to have this opportunity to work with you. Please call me if you have any questions or comments during the course of our representation.

Very truly yours,

Marc B. Merklin

MBM:mrm:773062
Enclosures

AGREED AND ACCEPTED:

SCHWAB INDUSTRIES, INC. AND ON
BEHALF OF ITS AFFILIATES LISTED
ON EXHIBIT A ATTACHED HERE

By: D.L. MORELAND
Its: EXECUTIVE VICE PRES.

Date: 02-24-10

EXHIBIT A

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



Terms of Engagement for Legal Services

This statement contains the terms which will govern your engagement of Brouse McDowell as your lawyers. Unless modified by mutual assent in a written document (for example, in the cover letter accompanying this statement), these terms will control our relationship with you. Therefore, we ask that you review this statement carefully and contact us promptly if you have any questions. We suggest that you retain this statement in your files.

Identification of the Client

Our clients for purposes of this representation are those, and only those, persons or entities specifically identified as clients on the engagement letter which accompanied this document. We are not representing affiliates or other persons or entities associated with the specified clients. For example, if the client is an entity (such as a corporation, partnership, or limited liability company), we are not undertaking representation of any of the entity's owners, directors, officers, employees, agents, or commonly-owned corporations or partnerships; or, if the client is a trade association, we are not undertaking representations of any of its members—unless, that is, we have so agreed in writing. Accordingly, the conflict of interest rules will not prohibit us from representing other clients of the firm in matters adverse to any related person or entity not specifically identified as a client.

The Scope of Our Work

Our engagement is limited to the performance of services related to the transaction, dispute or other matter described in the letter accompanying this document. Unless that description states that we will be acting as your general counsel, our acceptance of this engagement does not involve an undertaking to represent you or your interests in any other matter. You may limit or expand the scope of our representation from time to time, but we must agree in advance to any substantial expansion of our representation.

During our relationship we may express opinions or beliefs concerning the matter or matters for which we are providing representation or various courses of action and the results that might be anticipated. Such statements are intended only as expressions of opinion, based on information available to us at the time. You should not construe such statements as promises or guarantees.

Client Responsibilities

To enable us to represent you effectively, we must require that you do the following:

- cooperate fully with us in all matters relating to the representation;
- fully and accurately disclose to us all facts and documents which may be relevant to the representation of which we may otherwise request;
- make yourself reasonably available to attend meetings, court proceedings, and conferences; and,
- pay our statements for services and expenses according to our agreement.

Who Will Provide the Legal Services?

Customarily, each client of the firm is served by a principal attorney contact. The principal attorney should be someone in whom you have confidence and with whom you enjoy working. You are free to request a change of principal attorney at any time.

All or part of the work we do for you may be performed by other lawyers and legal assistants in the firm, under the supervision of the principal attorney. This may be done for the purpose of involving lawyers or legal assistants with special expertise in a given area, for the purpose of providing services on the most efficient and timely basis or for other purposes. Whenever practicable, we will advise you of the names of those attorneys and legal assistants who work on your matter.

Fees, Expenses, and Deposits

Our fees are based on the amount of time spent working on your behalf. Each lawyer and legal assistant has an hourly billing rate based generally on experience and special knowledge. The rate multiplied by the time expended on your behalf, measured in tenths of an hour, will be the initial basis for determining the fee.

Our billing rates currently range from \$200 to \$400 per hour for shareholders, \$140 to \$250 for associates, \$120 to \$145 for legal assistants. Your principal attorney will be able to tell you his or her hourly rate, and the hourly rates of the personnel who may be

working on your matter. We adjust our hourly rates annually to reflect current levels of legal experience, changes in overhead costs and other factors. We may adjust our rates at other times during the representation as well.

Unless we otherwise agree in writing at the time, our fees in all future matters will be determined in the same manner. Occasionally, it is appropriate for us to determine fees for legal services in a different manner or based on additional factors, such as:

- the novelty and complexity of the questions involved and the skill required to perform the services promptly;
- the experience, reputation and ability of those performing the services;
- the time constraints imposed by you and by other circumstances, such as an emergency closing, the need for injunctive relief from a court, or other substantial interference with other firm business;
- the amount of money involved and the results obtained; and,
- the fees customarily charged in the community for similar services and the value of those services to you.

We will not determine your fee other than on an hourly basis without your approval, but we may decline to undertake representation on any new matter for which you do not approve an alternative fee method we propose.

We often are requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. Whenever possible we will furnish an estimate based upon our professional judgment, but always with a clear understanding that it is not a maximum or fixed fee quotation. The ultimate cost frequently is more or less than the amount estimated, and sometimes substantially so.

Advances and Expenses

We typically incur and pay direct expenses on behalf of our clients. Such direct costs and expenses may include, but are not limited to, outside copying services, filing fees, witness fees, deposition transcripts, recording services, consultant fees, travel costs, lodging charges, and out-of-town meals. We are not obligated to advance direct costs and expenses on your behalf, but when we do, we do so as your agent upon the understanding that these costs and expenses will be paid on a regular basis. Unless otherwise specifically agreed with you in writing, indirect costs and expenses are those considered incidental to the provision of legal services and are included within the hourly rates of the attorneys or other professionals. These include postage, Federal Express, facsimile and telephone charges, and in-house copying charges.

Retainer Deposits

If you were asked to deposit funds with us as a retainer, those funds will remain in our client trust account until disbursed as described below.

If the letter accompanying this document did not designate your deposit as a "deposit against fees," it will be considered a "deposit as security." If your deposit is a "deposit against fees," we will draw against the deposited funds to satisfy our monthly statements, copies of which will be sent to you for your information. If your deposit is a "deposit as security," the funds will remain in our client trust account for the duration of our representation, and we will expect payment from you to satisfy our monthly statements. In both cases, any remaining balance will be returned to you immediately upon termination of our representation, subject to our reserved right to use any part of the funds to satisfy an unfulfilled payment obligation.

In either event, we may request you to replenish or supplement a deposit (including requiring a deposit from a client who has not previously been asked to do so) when in our judgment that is necessary to secure payment of the fees and expenses we anticipate will be incurred in the completion of the representation. We may cease performing work and withdraw from our representation of you if you do not comply with such a request.

Billing and Payment

We will bill you on a monthly basis for fees and expenses. You agree to make payment promptly upon receipt of our statement. Unpaid fees and expenses accrue interest at the maximum rate permitted by state law (not compounded), but not exceeding 1 percent per month 30 days after the bill becomes overdue. Where fees and disbursements are regularly paid out of a retainer deposit, no interest will be charged.

We will notify you if your account becomes delinquent, and you agree to bring the account or the retainer deposit current. If the delinquency continues and you do not arrange satisfactory payment terms, we may cease performing work and withdraw from our representation of you.

If there are two or more clients being represented in the matter, each shall be responsible for the payment of our statements, notwithstanding any agreement to the contrary among the clients. However, we will send our statement only to the one person designated by the clients.

Termination

Either of us may terminate our representation on a matter at any time for any reason by written notice, subject on our part to applicable rules of professional conduct. Unless sooner terminated, our representation of you with respect to any matter will terminate upon our sending you our final statement for services rendered in the matter.

Termination will not affect your responsibility for payment of outstanding statements and accrued fees and expenses incurred before termination or in connection with an orderly transition of the matter.

Following termination, any otherwise non-public information which you supplied to us and which we have retained will be kept confidential in accordance with applicable rules of professional conduct. At your request, your papers and property will be returned to you promptly upon receipt of payment for outstanding fees and costs. We may at your expense make copies of all papers returned to you. Our own files, including lawyer work product, pertaining to the matter will be retained by the firm. All documents which we retain will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any documents or other materials retained by us following a reasonable time after the termination of representation on a matter.

It is possible that, after termination of our representation on a matter, changes will occur in the applicable laws or regulations which could have an impact on your future rights and liabilities. Unless you engage us after the termination specifically to provide additional advice on issues arising from the matter, the firm has no continuing obligation to advise you with respect to legal developments.



Akron
388 South Main Street
Suite 500
Akron, Ohio 44311-4407
Phone: 330.535.5711
Fax: 330.253.8601

Cleveland
1001 Lakeside Avenue
Suite 1600
Cleveland, Ohio 44114-1151
Phone: 216.830.6830
Fax: 216.830.6807

www.brouse.com

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 : Case No. 10-60702
: :
Debtor. : Judge Russ Kendig
: :
: Joint Administration Pending
----- X

----- X
In re: : Chapter 11
: :
MEDINA CARTAGE CO., : Case No. 10-60703
: :
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
: :
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, PURSUANT TO 11 U.S.C. §§ 327 AND 328 AUTHORIZING EMPLOYMENT AND RETENTION OF BROUSE MCDOWELL, LPA AS SPECIAL COUNSEL FOR DEBTORS, NUNC PRO TUNC AS OF THE PETITION DATE

Upon consideration of the application dated February 28, 2010 (the “Application”) of 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”), for the entry of an order authorizing employment and retention of Brouse McDowell, LPA (“Brouse”) as special counsel for Debtors, *nunc pro tunc* as of the Petition Date; and based upon the *Affidavit of David R. Exley in Support of Chapter 11 Petitions and First-Day Motions* (the “Exley Affidavit”), concurrently filed with the Application, and the *Verified Declaration of Marc B. Merklin* submitted pursuant to Bankruptcy Code Section 327(a) and Federal Rules of Bankruptcy Procedure 2014(a) and 2016(b) (the “Merklin Declaration”) attached to the Application; and after due deliberation and hearing, this Court finds that: (a) it

has jurisdiction over this matters raised in the Application under 28 U.S.C. §§157 and 1334; (b) venue of this matter is proper under 28 U.S.C. §§1408 and 1409; (c) this matter is a core proceeding pursuant to 28 U.S.C. §157(b)(2); (d) the relief requested in the Application is in the best interests of Debtors, their estates, creditors, and other parties in interest; (e) adequate and property notice of the Application and the hearing thereon has been given and that no other or further notice is necessary; and (f) 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 section 327 of the Bankruptcy Code, Debtors shall have and hereby are authorized and empowered to employ Brouse as special counsel, effective *nunc pro tunc* as of the Petition Date, for matters referred to in the Application, during the pendency of the above-captioned Cases.
4. The Hourly Fees are hereby approved, including payment of the Retainer.
5. In connection with the accounting services to be rendered by Brouse, Brouse shall receive compensation in accordance with the provisions of sections 328(a), 330 and 331 of the Bankruptcy Code and any applicable order of the Court.

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)

HAHN LOESER & PARKS LLP

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dademarco@hahnlaw.com

cwick@hahnlaw.com

cpeer@hahnlaw.com

Proposed Counsel to the Debtors