

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

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| <i>In re:</i> |) | |
| |) | |
| |) | Chapter 11 |
| TOUCH AMERICA HOLDINGS, INC., |) | |
| <i>et al.</i> , |) | Case No. 03-11915 (KJC) |
| |) | (Substantively Consolidated) |
| Debtors. |) | |
| |) | |

**ORDER OF FINAL APPROVAL OF
CLASSWIDE SETTLEMENT OF MATTSON CLAIM**

On July 9, 2008, Rebecca A. Mattson, Sliters, North Flathead Lake Yacht Club, J. Michael Dockstader, Ray J. Habel, Greg R. Habel, William G. Bowd, Paul Sullivan, Mary Sullivan, Randa J. McAlpin, Neil R. McAlpin, Pete C. Woll, Harry Woll, Lloyd Foster, George W. Ingham II, Benjamin W. Louden, Kenneth D. Louden, Michael O. Speckert, Steven Speckert, Susie Speckert, Hector Speckert, the named parties bringing a proof of claim (the “Mattson Claim”) on behalf of a class comprised of the class members in a state court suit (the “Mattson Claimants”), filed a motion to certify a settlement class and for preliminary approval of that settlement, which settles the Mattson Claim. The settlement class is defined as all persons and entities (other than defendants and the Confederated Salish and Kootenai Tribe of the Flathead Reservation, Montana) that own real property with lake frontage on the shoreline of Flathead Lake in Flathead County and Lake County, Montana, and/or real property which contains a bank of the Flathead River located in Flathead County, Montana (the “Settlement Class”). The Court granted preliminary approval of the settlement and entered an Order Preliminarily Approving Classwide Settlement of the Mattson Claim on July 9, 2008 (the “July Order”).

As required by the Court's July Order, Class Counsel has reported that it caused the Class Notice to be transmitted to the Class Members via U.S. Mail on or before July 21, 2008. Also as required by the July Order, Class Counsel filed a Petition for Attorneys' Fees and Costs on July 21, 2008 (the "Petition"), and made it available for public viewing on their website.

In its July Order, the Court set a deadline of August 14, 2008 for class members to submit objections to the settlement and/or to the Petition. Two objections only to the settlement were timely received.

On August 19, 2008, Class Counsel filed Counsel's Report on Status of Classwide Settlement of Mattson Claim and Certificate of No Objection (Docket # 3697), in which it described the procedures for issuing the Class Notice, reported on the number of objections, and provided updated information on litigation and administrative costs.

Pursuant to the Court's July Order, and pursuant to the Class Notice sent to each potential Class Member, a final hearing on the reasonableness and fairness of the proposed settlement was held on August 21, 2008 in the United States Bankruptcy Court for the District of Delaware. Now, having conducted the Final Approval Hearing on the appropriateness of granting final approval of the settlement, the Court hereby finds as follows:

1. The Mattson Claimants have reached an agreement with Brent C. Williams, as plan trustee (the "Plan Trustee") of the Touch America Holdings, Inc. plan trust (the "Plan Trust") to settle the Mattson Claim. That agreement is memorialized in the Stipulation of Settlement.

2. This Court has jurisdiction and venue over the Mattson Claim and the Mattson Claimants pursuant to Federal Rules of Bankruptcy Procedure 9014(c) and 7023 and Federal

Rule of Civil Procedure 23. Under Rule 23, this Court's approval and entry of the Stipulation of Settlement is required.

3. The Mattson Claim is appropriate for class treatment in this Court. The Court finds that (1) the Settlement Class is so numerous that joinder of all members is impracticable, (2) there are questions of law or fact common to the Settlement Class, (3) the claims or defenses of the representative parties are typical of the claims or defenses of the Settlement Class, and (4) the representative parties and their counsel will fairly and adequately protect the interests of the Settlement Class.

4. The Court further finds that the Mattson Claim should be certified under Fed. R. Civ. P. 23(b)(1)(A), in that the prosecution of separate actions by or against individual members of the Settlement Class would create a risk of inconsistent or varying adjudications with respect to individual members of the class which would establish incompatible standards of conduct for the party opposing the class.

5. The Court thus certifies the proposed class, consisting of all persons and entities (other than defendants and the Confederated Salish and Kootenai Tribe of the Flathead Reservation, Montana) that own real property with lake frontage on the shoreline of Flathead Lake in Flathead County and Lake County, Montana, and/or real property which contains a bank of the Flathead River located in Flathead County, Montana, to settle the Mattson Claim and appoints the attorneys for the named parties as Settlement Class Counsel.

6. The Settlement Class is identical to the class certified in the Montana State Court Case on March 27, 2001.

7. The Court finds that the Class Notice provided adequate notice to the Settlement Class members.

8. The Court finds that the proposed Stipulation of Settlement to be fair, reasonable and adequate under the circumstances.

9. The Court finds that considering all the circumstances that the Stipulation of Settlement should be approved.

10. The Court finds that the attorneys' fees, litigation costs, and settlement administration costs expended and sought in this matter are reasonable. No member of the Settlement Class objected to the Petition for Attorneys' Fees and Costs. Further, the Court finds that Class Counsel has achieved a good result for the Settlement Class and the pursuit of this claim required significant outlays of time and resources for Class Counsel and was vigorously litigated on both sides. The Court finds that the one-third contingency fee agreement between the named plaintiffs and Class Counsel to be reasonable.

It is therefore HEREBY ORDERED:

A. The Settlement Class is hereby certified as a class under Fed. R. Civ. P. 23 for the purposes of settlement only of the Mattson Claim in this venue and shall proceed with settlement as provided in the Stipulation of Settlement.

B. The Stipulation of Settlement is hereby approved and shall proceed as provided by its terms.

C. Out of the Settlement Fund of \$350,000, Class Counsels' reasonable attorneys' fees of \$116,667 and litigation and administrative costs of \$44,026.48, for a total of \$160,693.48, shall be paid to Meites, Mulder, Mollica & Glink.

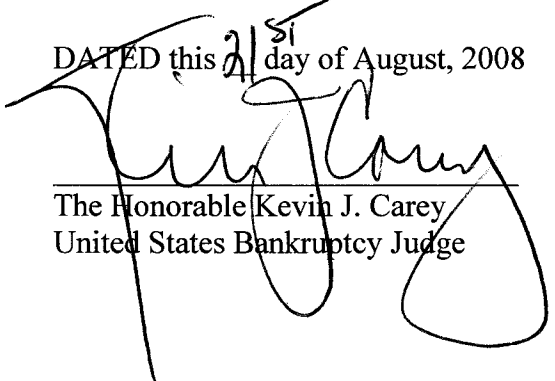
D. The remaining Settlement Fund of \$189,306.52 shall be paid according to the Stipulation of Settlement, which provides that

1. Half, or \$94,653.26, shall be paid to the University of Montana for the use and benefit of the Flathead Lake Biological Station of the University of Montana. Remittance shall be made to David Aronofsky, Legal Counsel, University of Montana, 133 Main Hall, Missoula, MT.

2. Half, or \$94,653.26, shall be paid to the Flathead Conservation District, 133 Interstate Lane, Kalispell, MT.

IT IS SO ORDERED.

DATED this 21st day of August, 2008



The Honorable Kevin J. Carey
United States Bankruptcy Judge