

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF KANSAS**

In re:) **In Proceedings Under Chapter 11**
)
GATEWAY ETHANOL, L.L.C.) **Case No. 08-22579-DLS**
)
Debtor.)

**AFFIDAVIT OF GEOFFREY A. RICHARDS IN SUPPORT OF THE
APPLICATION UNDER 11 U.S.C. §§ 327(a) AND 328(a) FOR RETENTION OF
WILLIAM BLAIR & COMPANY, L.L.C. AS INVESTMENT BANKER AND
FINANCIAL ADVISOR FOR DEBTOR AND DEBTOR IN POSSESSION**

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

Geoffrey A. Richards, being duly sworn, deposes and says:

1. My name is Geoffrey A. Richards. I am over the age of twenty-one (21) years, am competent to make this Affidavit, and have personal knowledge of the facts as stated in this Affidavit.

2. I am the Group Co-Head of Special Situations & Restructuring for William Blair & Company, L.L.C. (“William Blair”), an investment firm that maintains offices at 222 West Adams Street, Chicago, Illinois 60606, and I make this affidavit on behalf of William Blair (the “Affidavit”). I submit this Affidavit in support of the application (the “Application”) of Gateway Ethanol, L.L.C. (the “Debtor”) for an order authorizing the employment and retention of William Blair as investment banker and financial advisor to Debtor. Except as otherwise noted, I have personal knowledge of the matters set forth herein.

3. William Blair is a Chicago-based investment firm offering investment banking, asset management, equity research, institutional and private brokerage, and private

capital to individual, institutional, and issuing clients. William Blair's offices include Chicago, Boston, London, New York, San Francisco, Shanghai, Tokyo, and Zurich. William Blair advised on \$30.1 billion worth of transactions in 2007 and currently has over \$52 billion of assets under management.

4. To the best of my knowledge and belief, neither I, William Blair, nor any director, associate or employee thereof, has any connection with the Debtor, its creditors, other parties-in-interest (as identified to us by Debtor), its attorneys, or the United States Trustee for the District of Kansas or any person employed in the Office of the United States Trustee for the District of Kansas, except as disclosed or otherwise described herein.

5. To the best of my knowledge and belief, William Blair is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code in that William Blair, its professionals and employees:

- a. Are not creditors, equity security holders, or insiders of Debtor;
- b. Are not and were not, within two (2) years before the date of the filing of Debtor’s Chapter 11 petition, a director, officer, or employee of Debtor; and
- c. Do not have an interest materially adverse to the interest of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, Debtor, or for any other reason.

6. As a part of its diverse practice, William Blair professionals have appeared in numerous cases, proceedings and transactions involving attorneys, accountants, investment bankers and financial consultants, some of which may represent claimants and parties-in-interest in this Chapter 11 case. Further, William Blair has in the past, and may in the future, be represented by various attorneys and law firms in the legal community, some of whom may be involved in this proceeding. In addition, William Blair has in the past and will likely in the

future be working with or against other professionals involved in this case in matters unrelated to this case. Based on our current knowledge of the professionals involved, and to the best of my knowledge, none of these business relations constitute interests materially adverse to Debtor herein in matters upon which William Blair is to be employed.

7. William Blair may have in the past represented, may currently represent, and likely in the future will represent, in matters wholly unrelated to Debtor's case, numerous entities that are listed on **Exhibit A** attached to this Affidavit. William Blair has not represented, does not represent, and will not represent any such entity's interest in this Chapter 11 case. William Blair does not represent any such entity in connection with this Chapter 11 case nor does it believe that any relationship it may have with any of the entities listed on **Exhibit A** attached hereto will interfere with or impair William Blair's representation of Debtor in this case. William Blair will, however, continue to provide professional services to entities or persons that may be creditors of Debtor or parties in interest in this Chapter 11 case, provided, however, that such services do not relate to, or have any direct connection with, this Chapter 11 case.

8. We have utilized William Blair's conflicts protocol, which is designed to reveal the potential for conflicts of interest and other connections to existing and former clients and to many parties-in-interest in this case to whom William Blair has ever provided services. Such results are printed and have been reviewed by me personally.

9. The list of parties-in-interest that we processed through the conflicts protocol for Debtor is attached as **Exhibit A** to this Affidavit. We searched for connections to Debtor, the principals of Debtor, Debtor's secured lenders, landlords, parties to executory contracts, and parties to litigation. In addition, we searched for connections to Debtor's major

unsecured creditors according to Debtor's books and records (collectively, the "Parties-in-Interest").

10. As expected, while the results of these searches revealed no conflict of interest with regard to William Blair's anticipated retention as investment banker and financial advisor for Debtor, connections to Parties-in-Interest were revealed. Those connections are specifically outlined below. Each of the connections is a present, former, or affiliate relationship between William Blair and its clients, and each is wholly unrelated to Debtor. Nevertheless, each relationship constitutes a "connection" that we feel should be disclosed for these purposes. William Blair has or has had a relationship with the following Parties-in-Interest in matters unrelated to Debtor or its estate:

- a. William Blair represented Chemcentral Corporation in its sale to Univar N.V., the parent company of Univar USA, in 2007; and
- b. William Blair has an action pending against Univar, N.V., the parent company of Univar USA, seeking payment of additional investment banking fees.

11. Insofar as other connections with Parties-in-Interest are concerned, it is possible that one or more directors, associates or staff members of William Blair may have personal or social connections with certain Parties-in-Interest. However, William Blair submits that individual affiliations with Parties-in-Interest will not in any way affect the services that William Blair proposes to provide to Debtor.

12. William Blair submits that the connections described above do not create a conflict in its retention as investment banker and financial advisor for Debtor.

13. The disclosures identified above are based upon all information reasonably available to William Blair at the time of submission of the Application to the Bankruptcy Court for approval. William Blair will, to the extent necessary, supplement this Affidavit as may be required by the Bankruptcy Code and Rules if and when any other relationships exist or are modified such that further disclosure is required. William Blair will implement appropriate internal procedures to protect the interest of Debtor in connection with the representations and relationships set forth above.

14. The amount of fees and expenses to be paid to William Blair are transactional in nature and will be based upon the fees and expenses set forth in the William Blair Agreement attached to the Application as **Exhibit A**, and as determined and allowed by the Court or such other basis as the Court shall authorize.

15. The sole source of compensation to be paid to William Blair is property of Debtor, whether now owned or hereafter acquired.

16. William Blair has not shared or agreed to share any of its compensation from Debtor with any other person, other than a member or employee of William Blair.

17. In connection with its representation of Debtor, as investment banker and financial advisor for Debtor, William Blair received \$50,000 as of the Petition Date for its services.

s/ Geoffrey A. Richards
Geoffrey A. Richards

Subscribed and sworn to before me this 29 day of September, 2008.

s/ Rita Prapuolenis
Notary Public, State of Illinois

My Commission Expires:

11/30/2008

EXHIBIT A

Aenternet
Airgas Mid South
Barker, Josh
Barker, Pat
Barker, Tim
Bolen Office Supply, Inc.
Business and Legal Reports
Bryan Cave LLP
Cargill, Incorporated
Central Power Products Inc.
Chata Biosystems
City of Pratt, Kansas
Dougherty Funding LLC
Economic Development Corporation of Kansas City, Missouri
Ecowater Systems
Enzyme Development Company
F&H Insulation, Inc.
Gateway Ethanol, L.L.C.
George Cross
Grant Thornton LLP
Hampel Oil Inc.
Indeck Energy Services, Inc.
Indeck Power Equipment Co.
Interstates Construction Services, Inc.
Jericho Drywall & Construction, Inc.
Kansas Department of Health & Environment (KDHE) - Bureau of Water
Kanza Cooperative
Kennedy & Coe, LLC
Lagowski, Larry A.
Loomis, Frederick S.
Lurgi PSI, Inc.
Mansel Construction, Inc.
Mercy, LLC
Midland Scientific, Inc.
Mitco, Inc. Custom Water Treatment
Nash, Jerry
Ninnescah Rural Electric Cooperative, Inc.
Nisly Brothers Trash Services Inc.
Noble Americas Corp.
Office of the U.S. Trustee
Oneok Hydrocarbon, L.P.
Orion Ethanol, Inc.
Orscheln Farm and Home
PowerPlan
Power-Serv Inc.
Precision Printer Services, Inc.
R&J Material Handling, Ltd.
RedMan Pipe & Supply Company
Reich, Tom
Roehl, Rex A.
Skaggs, Inc. Ace Hardware
Southwest Truck Parts, Inc.
Stanion Wholesale Electric Co., Inc.
Trace Environmental Systems, Inc.
Trinity Industries Leasing Company
Univar USA Inc.
Venture Corporation
Victory Energy
White Pines LLC