

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:	)	Chapter 11
)	
GULF PACKAGING, INC., ¹	)	Case No. 15-15249
)	
Debtor.	)	Honorable Pamela S. Hollis
)	
	)	Hearing Date: May 5, 2015
	)	Hearing Time: 10:00 a.m.
	)	Courtroom: 644

NOTICE OF MOTION

PLEASE TAKE NOTICE that on **Tuesday, May 5, 2015 at 10:00 a.m.**, or as soon thereafter as counsel may be heard, we shall appear before the Honorable Pamela S. Hollis in the courtroom usually occupied by her, No. 644, in the Dirksen Federal Building at 219 South Dearborn Street, Chicago, Illinois, or whomever may be sitting in her place and stead, and then and there present the **APPLICATION PURSUANT TO 28 U.S.C § 156(c) FOR ORDER (I) AUTHORIZING THE DEBTOR TO EMPLOY BMC GROUP, INC. AS NOTICING, CLAIMS, AND SOLICITATION AGENT, EFFECTIVE AS OF THE PETITION DATE, AND (II) APPOINTING BMC GROUP, INC. AS AGENT OF THE BANKRUPTCY COURT**, a copy of which is attached hereto and hereby served upon you, at which time and place you may appear.

¹ The last four digits of the Debtor's tax identification number are 5030.

GULF PACKAGING, INC.

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PROPOSED COUNSEL TO THE DEBTOR

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

)		
In re:		)	Chapter 11	
)		
GULF PACKAGING, INC., ¹		)	Case No. 15- <u>15249</u> (PSH)	
)		
Debtor.)		
)		

**APPLICATION PURSUANT TO 28 U.S.C. § 156(c) FOR ORDER
(I) AUTHORIZING THE DEBTOR TO EMPLOY BMC GROUP, INC.
AS NOTICING, CLAIMS, AND SOLICITATION AGENT,
EFFECTIVE AS OF THE PETITION DATE AND (II) APPOINTING
BMC GROUP, INC. AS AGENT OF THE BANKRUPTCY COURT**

Gulf Packaging, Inc., the above-captioned debtor and debtor in possession (the “Debtor,” “GPI” or the “Company”) for its Application Pursuant to 28 U.S.C. § 156(c) for Order (i) Authorizing the Debtor to Employ BMC Group, Inc. as Noticing, Claims, and Solicitation Agent, Effective as of the Petition Date and (ii) Appointing BMC Group, Inc. as Agent of the Bankruptcy Court (the “Application”), respectfully represents:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).

2. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

INTRODUCTION

3. On this date (the “Petition Date”), GPI filed its voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). GPI continues to operate its business and manage its properties as debtor in possession, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

¹ The last four digits of the Debtor’s tax identification number are 5030.

4. No request has been made for the appointment of a trustee or examiner, and no statutory committee has yet been appointed.

BACKGROUND

5. The Debtor is a national distributor of packaging equipment and supplies, which sells its product by and through several independent entities ("Affiliates").² Many of these Affiliates are also guarantors under GPI's credit facility with FCC, LLC d/b/a First Capital ("FCC"). When the Debtor is combined with the Affiliates, there are over twenty (20) warehousing locations to better serve the Debtor's customer base. When the Debtor is combined with the Affiliates, the overall aggregate amount of historical monthly sales is approximately \$9.5 million.

6. Additional information about the Debtor, its business and corporate and capital structures is set forth in the *Declaration of Edward T. Gavin, CTP in Support of Chapter 11 Petition and First Day Pleadings* (the "Gavin Declaration"), filed contemporaneously herewith.

RELIEF REQUESTED

7. By this Application, the Debtor respectfully requests entry of an Order, substantially in the form attached hereto as Exhibit "A," (i) authorizing the Debtor to employ BMC Group, Inc. ("BMC") as noticing, claims, and solicitation agent in connection with the Debtor's chapter 11 case pursuant to the terms and conditions of the Agreement for Services dated as of April 14, 2015 (the "Services Agreement"), attached hereto as Exhibit "B," and (ii) appointing BMC as this Court's outside agent. Attached as Exhibit "C" is the Declaration of Tinamarie Feil, President of BMC (the "Feil Declaration").

² As used herein, "Affiliate" means a company that has a relationship – formal or informal – to the Debtor, and sells packaging products under a variation of the Gulf name. Unless otherwise set forth, use of the term "Affiliate" is not intended to have the same meaning as the "affiliate" term of art defined in section 101(2) of the Bankruptcy Code. All rights with respect to this issue are reserved.

A. The Scope of BMC's Services

8. Subject to the Court's approval and pursuant to the Services Agreement, BMC has agreed to provide, at the Debtor's request, the following services, among others, in this chapter 11 case:

- a. Prepare and serve required notices in this chapter 11 case, including, as necessary:
 - (i) notice of the commencement of this chapter 11 cases and, if held, the initial meeting of creditors under section 341(a) of the Bankruptcy Code;
 - (ii) notice of the claims bar date;
 - (iii) notices of the objections to claims and objections to transfers of claims;
 - (iv) notices of motions and hearings;
 - (v) notices of transfers of claims;
 - (vi) notices of any hearings on a disclosure statement and confirmation of a plan of reorganization;
 - (vii) other miscellaneous notices to any entities as the Debtor or the Court may deem necessary or appropriate for an orderly administration of this chapter 11 case; and
 - (viii) the publication of other required notices, as appropriate and necessary;
- b. Within seven (7) days after the mailing of a particular notice, file with the Clerk's office a certificate or affidavit of service that includes a copy of the notice involved, a list of persons to whom the notice was mailed, and the date and manner of mailing;
- c. Maintain copies of all proofs of claim and proofs of interest filed in this chapter 11 case;
- d. Maintain an official claims register by docketing all proofs of claim and proofs of interest on a register containing certain information, including, but not limited to, the following:
 - (i) the name and address of the claimant or interest holder and any agent thereof;

- (ii) the date received;
 - (iii) the claim number assigned to the proof of claim or proof of interest;
 - (iv) the asserted amount and classification of the claim (if applicable);
and
 - (v) pertinent comments concerning disposition of claims;
- e. Create and administer a claims database;
 - f. Maintain the original proofs of claim in correct claim number order, in an environmentally secure area, and protect the integrity of these original documents from theft and/or alteration;
 - g. Implement necessary security measures to ensure the completeness and integrity of the claims register;
 - h. Transmit to the Clerk's Office a copy of the claims register on a monthly basis (unless requested on a more or less frequent basis) or, in the alternative, make available the Proof of Claim docket online to the Clerk's Office via the Claims Manager Claims System;
 - i. Maintain an up to date mailing list of all entities that have requested service of pleadings in this case and a master service list of creditors and other parties in interest and all entities that have filed a proof of claim or proof of interest, which lists shall be available upon request of the Clerk's Office;
 - j. Provide public access for examination of pleadings, proofs of claim or proofs of interest filed in this case, without charge during regular business hours;
 - k. Record all transfers of claims pursuant to Rule 3001(e) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and provide notice of such transfers as required by Bankruptcy Rule 3001(e);
 - l. Assist the Debtor with the reconciliation and resolution of claims;
 - m. Comply with applicable federal, state, municipal, and local statutes, ordinances, rules, regulations, orders and other requirements;
 - n. Provide claims processing services, as necessary;
 - o. Provide balloting services in connection with the solicitation process for any chapter 11 plan for which the court has approved a disclosure statement;
 - p. Make all original documents available to the Clerk's Office upon request on an expedited immediate basis;

- q. Provide such other claims processing, noticing, and related administrative services as may be requested from time to time by the Debtor; and
- r. Promptly comply with such further conditions and requirements as the Clerk's Office or the Court may at any time prescribe.

9. BMC will comply with all requests of the Clerk's Office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).

B. BMC's Compensation

10. The Debtor requests authorization to compensate and reimburse BMC in accordance with the terms set forth in the Services Agreement for all services rendered and expenses incurred by BMC in connection with its engagement in this chapter 11 case. The rates at which the Debtor has agreed to retain BMC are set forth the Services Agreement. The Debtor believes that BMC's proposed rates are reasonable and appropriate for services of this nature, and comparable to those charged by other providers of similar services.

11. The Debtor requests that BMC's fees and expenses incurred in the performance of the above services be treated as an administrative expense of the Debtor's chapter 11 estate, and that the cost of BMC's services be paid from the estate as provided by 28 U.S.C. § 156(c) and section 503(b)(1)(A) of the Bankruptcy Code. The Debtor seeks authorization to pay BMC's fees and expenses in the ordinary course of business, without further application to the Court.

12. Prior to the Petition Date, BMC received a retainer of \$10,000, some of which was applied against pre-petition fees and expenses. BMC will apply the remainder of the retainer against postpetition fees and expenses to be incurred by BMC in this chapter 11 case.

C. BMC's Disinterestedness

13. The Debtor is advised that, except as set forth in the Feil Declaration, BMC has not represented and has no relationship with: (i) the Debtor; (ii) its creditors or equity security holders;

(iii) any other parties in interest in this case; (iv) the respective attorneys and accountants of any of the foregoing; or (v) the U.S. Trustee or any person employed in the Office of the U.S. Trustee, in any matter relating to this case.

14. As set forth in the Feil Declaration, BMC believes it: (a) neither holds nor represents any interest adverse to the Debtor or the Debtor's estate on matters for which it is to be retained; (b) has no prior connection with the Debtor, its creditors or any other party in interest; and (c) is a "disinterested person" as such term is defined in section 101(14), as modified in section 1107(b), of the Bankruptcy Code.

15. BMC will conduct an ongoing review of its files to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new facts or relationships are discovered, BMC will promptly file a supplement disclosure with the Court.

16. Because the Debtor has over 900 vendors, plus an unknown amount of additional creditors and parties in interest, the Debtor believes that claims and noticing services are necessary in this case and that employment and retention of BMC for the services set forth herein and in the Services Agreement is appropriate. The Debtor, therefore, requests authority to employ and retain BMC on the terms and conditions set forth herein and in the Services Agreement.

D. Indemnification

17. As set forth in the Services Agreement, the Debtor has agreed to certain indemnification and contribution obligations. Both the Debtor and BMC believe that the indemnification obligations are customary and reasonable for notice, claims processing and solicitation agents retained in chapter 11 cases.

BASIS FOR RELIEF

18. Section 156(c) of title 28 of the United States Code, which governs the staffing and expenses of the Bankruptcy Court, authorizes the Court to use facilities other than those of the Clerk of the Bankruptcy Court (the "Clerk's Office") for the administration of bankruptcy cases:

Any court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the costs of such facilities or services are paid for out of the assets of the estate and are not charged to the United States.

28 U.S.C. § 156(c).

19. Further, in "all cases with more than 500 creditors," Local Rule 1007-2(B) *requires* debtors to "file a motion to employ a notice or claims agent approved by the clerk" to "prepare and maintain the claims register." Local Rule 1007-2(B).

20. The Debtor will have over 900 potential creditors in this chapter 11 case, many of whom will file proofs of claim. The Debtor respectfully submits that the large volume of work involved in noticing, receiving, docketing and maintaining proofs of claim at this volume would be unduly time consuming and burdensome for the Debtor and/or the Clerk's Office. In addition to creditors, the Debtor expects additional parties in interest will request notice of various matters in this case.

21. As set forth more fully in the Feil Declaration, BMC has substantial experience and expertise in the matters upon which it is to be engaged. BMC is one of the country's leading chapter 11 administrators with vast experience in noticing, claims processing, administration and reconciliation, balloting, tabulation and distributions. BMC specializes in noticing, claims agent and balloting services, and has a proprietary claims management system in which claims are effectively managed for the Clerk's Office.

22. BMC has provided noticing, claims and solicitation agent services in chapter 11 cases of this size and complexity in this and other jurisdictions, including, among others: *In re Eastern 1996D Limited Partnership, et al.*, Case No. 13-34773-HDH-11 (Bankr. N.D. Tex. Sept. 18, 2014) [Docket No. 494] (solicitation and tabulation agent only); *In re Quantum Foods, LLC*, Case No. 14-10318 (Bankr. D. Del. Feb. 20, 2014) [Docket No. 37]; *In re St. Francis Hospital, Poughkeepsie, New York*, Case No. 13-37725 (Bankr. S.D.N.Y. Dec. 20, 2013) [Docket No. 49]; *In re Velti Inc.*, Case No. 13-12878 (Bankr. D. Del. Nov. 5, 2013) [Docket No. 21]; *In re Laboratory Partners, Inc.*, Case No. 13-12769 (Bankr. D. Del. Oct. 29, 2013) [Docket No. 27]; *In re FiberTower Network Servs. Corp.*, Case No. 12-44027-DML-11 (Bankr. N.D. Tex. Aug. 20, 2012) [Docket No. 212]; *In re Cano Petroleum, Inc.*, Case No. 12-31549-BJH (Bankr. N.D. Tex. Mar. 16, 2012) [Docket No. 66]; *In re Corus Bankshares, Inc.*, Case No. 10-26881 (PSH) (Bankr. N.D. Ill. June 16, 2010) [Docket No. 21].

23. The Debtor has selected BMC as its proposed agent because of the firm's experience in serving in chapter 11 cases of this size and complexity and the reasonableness of BMC's fees. Parties in interest will benefit from BMC's significant experience and the efficient and cost-effective methods that it has developed.

24. Courts in this jurisdiction have approved similar relief in other chapter 11 cases. *See, e.g., In re Caesars Entm't Operating Company*, No. 15-01145 (ABG) (Bankr. N.D. Ill. Jan. 15, 2015) [Docket No. 51]; *In re ITR Concession Co.*, No. 14-34284 (PSH) (Bankr. N.D. Ill. Sept. 23, 2014) [Docket No. 84]; *In re Keywell L.L.C.*, No. 13-37603 (EW) (Bankr. N.D. Ill. Feb. 12, 2014) [Docket No. 460]; *In re West Side Community Hospital Inc.*, No. 13-27091 (ERW) (Bankr. N.D. Ill. July 24, 2013) [Docket No. 72].

WAIVER FOR FILING FORMATTED MAILING MATRIX

25. Pursuant to Bankruptcy Rule 1007(a)(1) and Local Rule 1007-1, petitions for relief under chapter 11 of the Bankruptcy Code must include a Mailing Matrix in a computer readable

format designed and published by the Clerk's Office. Allowing the Debtor to maintain a consolidated list of its creditors in electronic format *only* rather than filing a creditor matrix, is warranted under the circumstances of this case. As previously mentioned, the Debtor anticipates having over 900 creditors in this case as well as additional parties in interest. Thus, converting the Debtor's computerized information to a format compatible with the matrix requirements would be a burdensome task and would increase the risk and possibility of error (or compounded error) with respect to information already intact on the Debtor's computer system.

26. Indeed, the Debtor, with the assistance of BMC, has already prepared a single, consolidated list of its creditors in electronic format. In lieu of submitting a mailing matrix to the clerk of the Court, the Debtor is prepared to make the list available (in electronic format) to any party in interest upon request. If a party in interest requests the list in non-electronic format, the Debtor is prepared to provide the list upon such request, but at the sole cost and expense of the requesting party in interest.

NOTICE

27. Notice of this Application has been provided to (i) the office of the United States Trustee for the Northern District of Illinois, (ii) the holders of the twenty (20) largest unsecured claims against the Debtor, (iii) counsel to FCC, and (iv) all other parties requesting notice in these chapter 11 cases. The Debtor respectfully submits that such notice is appropriate and that no other or further notice need be provided.

NO PRIOR REQUEST

28. No prior requests for the relief sought herein has been made to the Court or to any other court.

WHEREFORE, the Debtor respectfully requests that this Court enter an Order (i) granting this Application and authorizing the retention of BMC on the terms set forth herein and (ii) granting such other and further relief as may be just and proper.

Respectfully submitted this 29th day of April, 2015.

FRANKGECKER LLP

/s/ Joseph D. Frank

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PROPOSED COUNSEL TO THE DEBTOR

EXHIBIT A

Proposed Order

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
)	
GULF PACKAGING, INC., ¹	)	Case No. 15- ____ ()
)	
Debtor.)	

ORDER AUTHORIZING THE DEBTOR TO EMPLOY BMC GROUP, INC. AS NOTICING, CLAIMS, AND SOLICITATION AGENT, EFFECTIVE AS OF THE PETITION DATE AND (II) APPOINTING BMC GROUP, INC. AS AGENT OF THE BANKRUPTCY COURT

Upon the Application Pursuant to 28 U.S.C. § 156(c) for Order (i) Authorizing the Debtor to Employ BMC Group, Inc., as Noticing, Claims, and Solicitation Agent, Effective as of the Petition Date and (ii) Appointing BMC Group, Inc. as Agent of the Bankruptcy Court (the “Application”) filed by the above-captioned debtor and debtor in possession (the “Debtor”); and upon the Declaration of Tinamarie Feil, President of BMC (the “Feil Declaration”); and the Court having reviewed the Application and the Feil Declaration; and the Court having jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Application being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court finding that the relief requested in the Application is in the best interests of the Debtor’s estate, its creditors, and other parties in interest; and it appearing that due and sufficient notice of the Application has been given by the Debtor under the circumstances and that no further notice is required; and the Court being satisfied that BMC is a “disinterested person” as such term is defined under section 101(14) of the Bankruptcy Code; and upon hearing on the Application conducted on April __,

¹ The last four digits of the Debtor’s tax identification number are 5030.

2015 and the record made thereat; and after due deliberation and good cause appearing therefor, it is HEREBY ORDERED THAT:²

1. The Application is approved as set forth herein.
2. The terms of the Services Agreement are hereby approved.
3. The Debtor is hereby authorized to retain and employ BMC under the terms set forth in the Services Agreement, dated as of April 14, 2015, to perform the noticing, claims process, solicitation and other services described in the Application and the Services Agreement.
4. In lieu of submitting a Mailing Matrix, the Debtor shall maintain a single, consolidated list of all of the Debtor's creditors in electronic form.
5. BMC is hereby appointed as agent for the Clerk's Office and custodian of court records, and is accordingly, designated as the authorized repository for all proofs of claim and proofs of interest filed in this chapter 11 case. BMC is authorized and directed to maintain the official claims register for the Debtor and to provide the Clerk's Office with a certified duplicate thereof as the Clerk may direct.
6. The Debtor and BMC are authorized to perform their respective obligations set forth in the Services Agreement, and BMC is further authorized to provide other noticing, claims processing, solicitation and administrative services as the Debtor and the Clerk's Office may request from time to time.
7. The Debtor and BMC are authorized to mail initial notices, including notice of filing of the chapter 11 case, directly to the parties on the Mailing Matrix.
8. The Debtor and BMC are authorized to mail directly to parties in interest various additional notices, motions and orders in this chapter 11 case.

² Capitalized terms used but not defined herein have the meanings set forth in the Application.

9. The Debtor and BMC are authorized to undertake all subsequent mailings as directed by the Court or the United States Trustee, or as required by the Bankruptcy Code, Bankruptcy Rules and Local Rules.

10. BMC is authorized to take such other action as is reasonably necessary to comply with all duties set forth in the Application and this Order.

11. The Debtor is authorized to compensate BMC in the ordinary course of business, accordance with the Service Agreement, upon the receipt of reasonably detailed invoices setting forth the services provided by BMC and the rates charged for each, and to reimburse BMC for all reasonable and necessary expenses it may incur upon the presentation of appropriate documentation, all without the necessity for BMC to file an application for compensation or reimbursement with the Court.

12. Pursuant to section 503(b)(1)(A) of the Bankruptcy Code, the fees and expenses of BMC incurred pursuant to the Services Agreement are to be treated as an administrative expense of the Debtor's estate.

13. If this case converts to a case under chapter 7 of the Bankruptcy Code, BMC will continue to be paid for its services until the claims filed in the chapter 11 case have been completely processed, at which time BMC will cooperate with the Clerk's Office to turn over any reasonably requested materials to the Clerk's Office or to the new claims agent; if claims agent services are needed upon any such conversion, BMC will continue to be paid in accordance with section 156(c) of title 28 of the United States Code under the terms set forth in the Services Agreement and this Order.

14. In the event BMC is unable to provide the services set forth in this Order or BMC's services are terminated, BMC will immediately notify the Clerk's Office and the Debtor's

attorneys and will cause to have all claims and computer information turned over to another agent or the Clerk's Office with the advice and consent of the Clerk's Office and Debtor's attorneys; *provided, however*, that BMC shall be paid for such transition services in accordance with the terms of the Services Agreement.

15. In the event of any inconsistency between the Services Agreement, the Application, and this Order, this Order shall govern.

16. Notwithstanding anything to the contrary contained herein, the relief granted in this Order and any payment to be made, or any authorization contained, hereunder shall be subject to the terms of any orders granting the use of cash collateral approved by this Court in this chapter 11 case, including with respect to any budgets governing or relating to such use (collectively, the "Cash Collateral Order"), and to the extent there is any inconsistency between the terms of the Cash Collateral Order and any action taken or proposed to be taken hereunder, the terms of the Cash Collateral Order shall control.

17. This Court shall retain jurisdiction to resolve all matters arising out of the Services Agreement or this Order.

Dated: _____
Chicago, Illinois

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Services Agreement

AGREEMENT FOR SERVICES

This Agreement dated as of April 14, 2015, is entered between Gulf Packaging Inc. ("Customer") and BMC Group, Inc. ("BMC"). The services rendered by BMC pursuant to this Agreement will commence on the date first set forth above and will continue until the Agreement is terminated as set forth below.

TERMS AND CONDITIONS

SERVICES

In accordance with the terms and conditions contained in this Agreement and in the Fee Schedule annexed hereto, BMC agrees to provide upon request one or more of the services as follows: (a) assisting the Customer, Counsel and Office of the Clerk with noticing and claims docketing and (b) assisting Customer with the compilation, administration, evaluation and production of documents and information necessary to support a restructuring effort. At Customer', Counsel's or the Clerk's Office's direction, as the case may be, and in accordance with any court orders or rules in the bankruptcy case(s) (including any court order authorizing BMC's engagement), BMC will (1) prepare and serve those notices required in the bankruptcy cases; (2) receive, record and maintain copies of all proofs of claim and proofs of interest filed in the bankruptcy cases; (3) create and maintain the official claims register(s); (4) receive and record all transfers of claims pursuant to Bankruptcy Rule 3001(e); (5) maintain an up-to-date mailing list for all entities who have filed proofs of claim and/or requests for notices in the bankruptcy cases; (6) assist Customer and Counsel with the administrative management, reconciliation and resolution of claims; (7) print, mail and tabulate ballots for purposes of plan voting; (8) assist with the preparation and maintenance of Customer' Schedules of Assets and Liabilities, Statements of Financial Affairs and other master lists and databases of creditors, assets and liabilities, (9) assist with the production of reports, exhibits and schedules of information or use by the Customer, Counsel or to be delivered the Court, the Clerk's Office, the U.S. Trustee or third parties; and (10) provide other technical and document management services of a similar nature requested by Customer or the Clerk's office; (11) facilitate or perform distributions, and (12) assist Customer with all analyses and/or collections of avoidance actions pursuant to Chapter 5 of the United States Bankruptcy Code.

TECHNOLOGY SUPPORT

BMC agrees to provide computer software support and to educate and train Customer in the use of the support software, provide BMC's standard reports as well as consulting and programming support for Customer requested reports, program modifications, database modification, and/or other features.

PRICES, CHARGES AND PAYMENT

- A. BMC agrees to charge, and Customer agree to pay, BMC's standard prices for its services, expenses and supplies at the rates or prices in accordance with the fee schedule annexed hereto adjusted as follows: BMC will waive the database monthly maintenance fee, the website set up fee and website monthly hosting fee.
- B. BMC shall be provided with an advance payment retainer of \$_____. BMC will be compensated at its stated rates for services rendered and reimbursed for expenses necessarily incurred. The retainer shall be applied first to pre-petition invoices then to any post-petition invoices.

C. Wire transfer information for the transmission of payments is as follows:

Bank Name -	Bridge Bank, N.A.
ABA/Routing # -	121143260
Account Name -	BMC Group, Inc.
Account # -	0101222545

- D. BMC raises its rates from time to time and generally does so each January. The rates for this case shall remain fixed at the 2015 fee schedule attached hereto.
- E. Customer agree to pay BMC for any necessarily incurred out-of-pocket reasonable expenses for transportation, lodging, meals and related items.
- F. In connection with noticing services, upon BMC's request, Customer agree to prepay BMC estimated postage amounts with respect to each notice or shall authorize BMC to cause the courier's charges (such as UPS or FedEx) to be stated to Customer' own account with such courier.
- G. BMC agrees to invoice Customer for fees and expenses and Customer agree that the amount invoiced is due and payable upon its receipt of the invoice. If any amount is unpaid as of thirty (30) days from the receipt of the invoice, Customer further agrees to pay a late charge, calculated at one and one-half percent (1-1/2%) of the amount unpaid, accruing monthly from the invoice date. In the case of a dispute in the invoice amount, notice shall be given to BMC within twenty (20) days of receipt of the invoice by Customer. Late charges shall not accrue on any amounts in dispute. The balance of the invoice amount is due and payable in the normal course.
- H. BMC will look only to the Customer for payment of invoices and in no event shall Counsel be liable for any of BMC's invoices in connections with this Services Agreement.

WARRANTY

The BMC warranty under the Agreement shall be limited to the re-running, at its expense, of any inaccurate reports, provided that such inaccuracies were caused solely as a result of BMC performance hereunder and provided further that BMC shall receive written notice of such inaccuracies within thirty (30) days of delivery of such report. If said notice is not made to BMC within the prescribed time limit Customer are liable for all charges. Customer agree that the foregoing constitutes the exclusive remedy available with respect to inaccurate reports.

RIGHTS OF OWNERSHIP

- A. The parties understand that the software programs and other similar proprietary materials furnished by BMC pursuant to this Agreement and/or developed during the course of this Agreement by BMC are the sole property of BMC. The term "program" shall include, without limitation, data processing programs, specifications, applications, routines, sub-routines, procedural manuals, and documentation. Customer agree not to copy or permit others to copy for unauthorized use the source code from the support software or any other programs or similar proprietary materials furnished pursuant to this Agreement.
- B. Customer further agree that any ideas, concepts, know-how or techniques relating to data processing or BMC's performance of its services developed during the course of its Agreement by BMC shall be exclusive property of BMC.
- C. Upon Customer' request at any time or times while this Agreement is in effect, BMC shall immediately deliver to Customer at Customer' sole expense, any or all of the non-proprietary data, information and records held or controlled by BMC pursuant to this Agreement, in the form requested by Customer. Any information, data and records, in whatever form existing, whether provided to BMC by Customer or developed by BMC for Customer under this Agreement, may be retained by BMC until all amounts due under this Agreement are paid in full, it being understood that neither party asserts rights of ownership in the official claims register or materials filed with BMC as an agent of the court.

- D. Customer shall remain liable for all charges imposed under this Agreement as a result of data or physical media maintained by BMC. BMC shall dispose of the data and media in the manner requested by Customer. Customer agree to pay BMC for reasonable expenses incurred as a result of the disposition of the data or media. After giving Customer thirty (30) days advance notice, BMC reserves the right to dispose of data or media maintained by BMC for Customer if Customer have not utilized the services provided herein for a period of at least ninety (90) days or if Customer have not paid all charges due to BMC.

NON-SOLICITATION

Customer agree that they shall not, directly or indirectly, solicit for employment, employ or otherwise retain staff of BMC during the term of this Agreement, nor for a period of twelve (12) months after termination of this Agreement unless mutually agreed upon by both parties.

CONFIDENTIALITY

- A. BMC agrees to, and shall cause its servants, agents, employees, licensees, and subcontractors to, safeguard and keep confidential all data, records, information and communications of any sort or form, regardless of whether written, oral, visual or otherwise recorded or transmitted, with respect to Customer, but excluding such data, records, information and communications that exist in the public domain by reason other than a breach of BMC's obligations under this Section "Confidentiality" (the "Confidential Information"). BMC will use the Confidential Information only for the benefit of Customer in connection with the provision of services under this Agreement. Customer agree to, and will cause its servants, agents, employees, licensees, and subcontractors to, keep all information with respect to BMC's system, procedures and software confidential; provided, however, that if either party is required to produce any such information by order of any governmental agency or other regulatory body, it may, upon not less than five business days' written notice to the other party, release the required information. The obligations set forth in this paragraph shall survive termination of this Agreement.

TERMINATION

- A. This Agreement shall remain in force until terminated by Customer, or, by BMC upon thirty (30) days' prior written notice to the other party.
- B. In the event that this contract is terminated, regardless of the reason for such termination, BMC shall cooperate with Customer to orderly transfer to Customer or their designee (or destroy, at Customer' direction) data, records and information in its possession or control and to effect an orderly transition of record-keeping functions. BMC shall provide all necessary staff, services and assistance required for an orderly transfer and transition. Customer agree to pay for such services in accordance with BMC's then existing prices for such services.

SYSTEM IMPROVEMENTS

BMC's policy is to provide continuous improvements in the quality of service to the Customer. BMC, therefore, reserves the right to make changes in operations procedures, operating systems, programming languages, general purpose library programs, application programs, time period of accessibility, types of terminal and other equipment and the BMC data center serving the Customer.

LIMITATIONS OF LIABILITY AND INDEMNIFICATION

Except with respect to breaches under Section "Confidentiality" above, Customer shall indemnify and hold BMC, its officers, employees and agents harmless against any losses, claims, damages, judgments, liabilities and expense (including reasonable counsel fees and expenses) resulting from action taken or permitted by BMC in good faith with due care and without negligence in reliance upon instructions or orders received from Customer as to anything arising in connection with its performance

under this Agreement. Except with respect to breaches under Section "Confidentiality" above, BMC shall be without liability to Customer with respect to any performance or non-performance, in accordance with the terms of this Agreement or instructions properly received pursuant hereto, if done in good faith and without negligence or willful or wanton misconduct. Except with respect to breaches under Section "Confidentiality" above, in no event shall liability to Customer for any losses or damages, whether direct or indirect, arising out of this Agreement exceed the total amount billed or billable to Customer for the portion of the particular work which gave rise to the loss or damage. Except with respect to breaches under Section "Confidentiality", in no event shall BMC be liable for any indirect, special or consequential damages such as loss of anticipated profits or other economic loss in connection with or arising out of the services provided for in this Agreement.

NOTICES

All notices in connection with this Agreement shall be given or made upon the respective parties in writing by facsimile or overnight courier and shall be deemed as given, if by facsimile, on the business day immediately following confirmed transmission, or if by courier, on the day it is delivered by such courier to the appropriate address set forth below:

<p>BMC Group, Inc. Attn: Tinamarie Feil 600 1st Avenue Suite 300 Seattle, WA 98104</p> <p>E-Mail: tfeil@bmcgroup.com Tel: 206.516.3300 Fax: 206.516.3304</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>E-mail: _____</p> <p>Tel.: _____</p> <p>Fax: _____</p>
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Or to such other address as the party to receive the notice or request so designates by written notice to the other.

APPLICABLE LAW

This agreement shall be construed in accordance with the laws of the State of Washington and may be modified only by a written instrument duly executed by an authorized representative of Customer and an officer of BMC.

ENTIRE AGREEMENT/ MODIFICATIONS

Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes and merges all prior proposals, understandings and other agreements, oral and written between the parties relating to the subject matter of this Agreement. The Agreement may not be modified or altered by written instrument duly executed by both parties. Customer represent that they have the authority to enter into this Agreement, may be subject to bankruptcy court approval, and the Agreement is non-dischargeable under any applicable statute or law. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. In the event of any conflict between a term of this Agreement and any order of the court exercising jurisdiction over the Customer' bankruptcy cases, the term of the order shall govern.

ASSIGNMENT

This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other, with the exception that this Agreement can be assigned by BMC to a wholly owned subsidiary of BMC.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

<p>BMC Group, Inc.</p> <p>By: <u><i>Tinamarie Feil</i></u> Name: Tinamarie Feil Title: President, Client Services</p> <p>Date: April 14, 2015</p>	<p>By: <u><i>[Signature]</i></u> Name: <u>Jeff Cotshall</u> Title:</p> <p>Date: <u>4/15</u>, 2015</p>
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Pricing and Expenses

The total charge for BMC to support this project will be based on time spent plus payment of print/mail costs and any other out-of-pocket reimbursable items.

**We will guarantee an average billable rate
across the life of the case of \$125.00/hr or less**

Noticing Management

Data Entry/Call Center/ Admin Support	\$25/45/65 per hour
Analysts	\$85 /hr
Noticing Manager	\$100 /hr

Claims Management

Claim Receipt, Process & Docketing	\$2.50/claim – first 500 claims
no hourly rates & volume discounts	\$1.50/claim – 501 – 999 claims
	\$1.00/claim – 1,000+ claims

b-Linx Database & Systems Access	\$0.085 per month / \$250 min \$850 max/month WAIVED
Detailed Claim Analysis and Reconciliation	upon request at applicable Project Management rates

Project Management

Analysts	\$85/hr
Consultants/Project Managers	\$100 - \$145 /hr
Principals/Directors/Experts	\$200 – \$225 /hr
Top Rates Reduced and capped at:	\$175/hr
No surcharge for overtime, weekends or holiday hours required to support your case	

Print Mail and Noticing Services

Finishing (Includes: Fold/Collate, Insert, Address Labelling & Envelope)	\$.13 per standard or \$.20 per catalogue sized package
Copy/Print	\$.3 - \$.08 per page subject to volume discount
Postage, Courier	At cost (includes optimization recommendations)
<i>Certified</i> Electronic Noticing Service	\$40 per 1,000 (no per page charge; includes receipt tracking)
<i>Certified</i> Fax Noticing Service	\$0.10 per image (includes delivery acknowledgment)
Legal Notice Experts / Publication	Quote (leverage BMC negotiated discounts with publishers)

Document and Information Management

Electronic Document Imaging	\$0.12 per image – includes linking images to database
Live Operator Call Center	\$45 per hour
Public Case Website Hosting	\$250 per month WAIVED
Public Case Website Set Up Fees	WAIVED
Physical Document Storage	\$1.45 per box/month WAIVED
Document Analysis & Call Center Management	at applicable rates

SmartRoom™ Secure Virtual Data Room
(Up to 10GB & 6 months)

WAIVED

A value of over \$6,000 for a typical data room

Distribution

Distribution Consulting	At applicable project management rates
Check Issuance	Quote
Tax Reporting (1099, W-2)	Quote

EXHIBIT C

Feil Declaration

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
)	
GULF PACKAGING, INC., ¹	)	Case No. 15- ____ ()
)	
Debtor.)	
)	

**TINAMARIE FEIL’S DECLARATION IN SUPPORT OF DEBTOR’S APPLICATION
PURSUANT TO 28 U.S.C. § 156(c) FOR ORDER (I) AUTHORIZING THE DEBTOR TO
EMPLOY BMC GROUP, INC. AS NOTICING, CLAIMS, AND SOLICITATION AGENT,
EFFECTIVE AS OF THE PETITION DATE AND (II) APPOINTING BMC GROUP, INC.
AS AGENT OF THE BANKRUPTCY COURT**

I, Tinamarie Feil, under penalty of perjury, declare as follows:

1. I am the President of Client Services of BMC Group, Inc. (“BMC”), an information management services firm, with regional offices located at 500 North Dearborn Street, Suite 800, Chicago, IL 60654.

2. I submit this Declaration in support of the application (the “Application”)² authorizing the Debtor to retain and employ BMC as claims, noticing and solicitation agent in this chapter 11 case effective as of the Petition Date. Except as otherwise noted, I have personal knowledge of the facts contained in this Declaration.

3. As custodian of courts records pursuant to 28 U.S.C. § 156(c), BMC will perform, at the request of the Office of the Clerk of the Court (the “Clerk’s Office”), the noticing and claims related services specified in the Application and the Engagement Letter.

4. BMC represents, among other things, that:

¹ The last four digits of the Debtor’s tax identification number are 5030.

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

- (a) it will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the claims and noticing agent in this chapter 11 case;
- (b) by accepting employment in this chapter 11 case, BMC waives any right to receive compensation from the United States government in its capacity as the claims and noticing agent in this chapter 11 case;
- (c) in its capacity as the claims and noticing agent in this chapter 11 case, it is not an agent of the United States and is not acting on behalf of the United States; and
- (d) absent Court authorization, BMC will not employ any past or present employees of the Debtor in connection with its work as the notice and claims agent in these chapter 11 case.

5. To the best of my knowledge, information and belief, and based solely upon information provided to me by the Debtor and except as provided herein, neither BMC, nor any employee of BMC, has any materially adverse connections to the Debtor, its creditors or equity interest holders, or other relevant parties, their respective attorneys and accountants, any United States Bankruptcy Judge for the Northern District of Illinois, Eastern Division, the United States Trustee for the Northern District of Illinois, Eastern Division, the United States Trustee for Region 11 or any employees of the Office of the United States Trustee of the Northern Division of Illinois that would conflict with the scope of BMC's retention or would create any interest adverse to the Debtor's estate or any other party-in-interest.

6. The Debtor has multiple hundreds of creditors and, from time to time, BMC may have represented certain of those creditors in matters completely unrelated to the Debtor's chapter 11 case. To the extent that BMC discovers any facts bearing on matters described herein, BMC will promptly file a supplemental disclosure with the Court.

7. Notwithstanding anything contained herein, as part of its diverse business, BMC is the noticing, claims and balloting agent for debtors in numerous cases involving many different creditors (including taxing authorities), professionals, including attorneys, accountants,

investment bankers and financial consultants, some of which may be creditors or represent creditors and parties-in-interest in this chapter 11 case. In addition, BMC has in the past and will likely in the future continue working with or against other professionals involved in this chapter 11 case in matters unrelated to this chapter 11 case. Based upon my current knowledge of the parties involved, and to the best of my knowledge, none of these business relations constitute interests adverse to that of the creditors, or the Debtor's estate, with respect to the matters upon which BMC is to be engaged. Additionally, BMC employees may, in the ordinary course of their personal affairs, have relationships with certain creditors of the Debtor. However, to the best of my knowledge, such relationships, to the extent they exist, are of a personal nature and completely unrelated to this chapter 11 case.

8. Based upon the information available to me, I believe that BMC is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, in that BMC and its personnel: (a) are not creditors, equity security holders or insiders of the Debtor; (ii) are not and were not, within two years before the date of the filing of this case, a director, officer or employee of the Debtor; and (iii) do not have an interest materially adverse to the interests of the Debtor's estate or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtor.

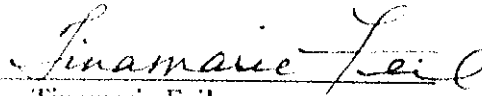
9. In performing the services identified in the Application, BMC will charge the rates set forth in the Engagement Letter. Pursuant to the Engagement Letter, the Debtor paid BMC a prepetition retainer of \$10,000.00.

10. The rates set forth in the Engagement Letter are as favorable and reasonable as the prices BMC charges in other cases in which it has been retained to perform similar bankruptcy related services.

11. BMC will comply with all requests of the Clerk's Office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. §156(e).

12. I declare under penalty of perjury that the foregoing is true and correct to the best of my information, knowledge and belief.

Dated: April 27, 2015

By: 
Tinamarie Feil
President, Client Services
BMC Group

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
GULF PACKAGING, INC., ¹	)	Case No. 15- <u>15249</u> (PSH)
Debtor.)	

ORDER AUTHORIZING THE DEBTOR TO EMPLOY BMC GROUP, INC. AS NOTICING, CLAIMS, AND SOLICITATION AGENT, EFFECTIVE AS OF THE PETITION DATE AND (II) APPOINTING BMC GROUP, INC. AS AGENT OF THE BANKRUPTCY COURT

Upon the Application Pursuant to 28 U.S.C. § 156(c) for Order (i) Authorizing the Debtor to Employ BMC Group, Inc., as Noticing, Claims, and Solicitation Agent, Effective as of the Petition Date and (ii) Appointing BMC Group, Inc. as Agent of the Bankruptcy Court (the "Application") filed by the above-captioned debtor and debtor in possession (the "Debtor"); and upon the Declaration of Tinamarie Feil, President of BMC (the "Feil Declaration"); and the Court having reviewed the Application and the Feil Declaration; and the Court having jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Application being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court finding that the relief requested in the Application is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and it appearing that due and sufficient notice of the Application has been given by the Debtor under the circumstances and that no further notice is required; and the Court being satisfied that BMC is a "disinterested person" as such term is defined under section 101(14) of the Bankruptcy Code; and upon hearing on the Application conducted on April __,

¹ The last four digits of the Debtor's tax identification number are 5030.

2015 and the record made thereat; and after due deliberation and good cause appearing therefor, it is HEREBY ORDERED THAT:²

1. The Application is approved as set forth herein.
2. The terms of the Services Agreement are hereby approved.
3. The Debtor is hereby authorized to retain and employ BMC under the terms set forth in the Services Agreement, dated as of April 14, 2015, to perform the noticing, claims process, solicitation and other services described in the Application and the Services Agreement.
4. In lieu of submitting a Mailing Matrix, the Debtor shall maintain a single, consolidated list of all of the Debtor's creditors in electronic form.
5. BMC is hereby appointed as agent for the Clerk's Office and custodian of court records, and is accordingly, designated as the authorized repository for all proofs of claim and proofs of interest filed in this chapter 11 case. BMC is authorized and directed to maintain the official claims register for the Debtor and to provide the Clerk's Office with a certified duplicate thereof as the Clerk may direct.
6. The Debtor and BMC are authorized to perform their respective obligations set forth in the Services Agreement, and BMC is further authorized to provide other noticing, claims processing, solicitation and administrative services as the Debtor and the Clerk's Office may request from time to time.
7. The Debtor and BMC are authorized to mail initial notices, including notice of filing of the chapter 11 case, directly to the parties on the Mailing Matrix.
8. The Debtor and BMC are authorized to mail directly to parties in interest various additional notices, motions and orders in this chapter 11 case.

² Capitalized terms used but not defined herein have the meanings set forth in the Application.

9. The Debtor and BMC are authorized to undertake all subsequent mailings as directed by the Court or the United States Trustee, or as required by the Bankruptcy Code, Bankruptcy Rules and Local Rules.

10. BMC is authorized to take such other action as is reasonably necessary to comply with all duties set forth in the Application and this Order.

11. The Debtor is authorized to compensate BMC in the ordinary course of business, accordance with the Service Agreement, upon the receipt of reasonably detailed invoices setting forth the services provided by BMC and the rates charged for each, and to reimburse BMC for all reasonable and necessary expenses it may incur upon the presentation of appropriate documentation, all without the necessity for BMC to file an application for compensation or reimbursement with the Court.

12. Pursuant to section 503(b)(1)(A) of the Bankruptcy Code, the fees and expenses of BMC incurred pursuant to the Services Agreement are to be treated as an administrative expense of the Debtor's estate.

13. If this case converts to a case under chapter 7 of the Bankruptcy Code, BMC will continue to be paid for its services until the claims filed in the chapter 11 case have been completely processed, at which time BMC will cooperate with the Clerk's Office to turn over any reasonably requested materials to the Clerk's Office or to the new claims agent; if claims agent services are needed upon any such conversion, BMC will continue to be paid in accordance with section 156(c) of title 28 of the United States Code under the terms set forth in the Services Agreement and this Order.

14. In the event BMC is unable to provide the services set forth in this Order or BMC's services are terminated, BMC will immediately notify the Clerk's Office and the Debtor's

attorneys and will cause to have all claims and computer information turned over to another agent or the Clerk's Office with the advice and consent of the Clerk's Office and Debtor's attorneys; *provided, however*, that BMC shall be paid for such transition services in accordance with the terms of the Services Agreement.

15. In the event of any inconsistency between the Services Agreement, the Application, and this Order, this Order shall govern.

16. Notwithstanding anything to the contrary contained herein, the relief granted in this Order and any payment to be made, or any authorization contained, hereunder shall be subject to the terms of any orders granting the use of cash collateral approved by this Court in this chapter 11 case, including with respect to any budgets governing or relating to such use (collectively, the "Cash Collateral Order"), and to the extent there is any inconsistency between the terms of the Cash Collateral Order and any action taken or proposed to be taken hereunder, the terms of the Cash Collateral Order shall control.

17. This Court shall retain jurisdiction to resolve all matters arising out of the Services Agreement or this Order.

Dated: _____
Chicago, Illinois

UNITED STATES BANKRUPTCY JUDGE