

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

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| In re: |) | |
| |) | Chapter 11 |
| |) | |
| GULF PACKAGING, INC., ¹ |) | Case No. 15-15249 |
| |) | |
| Debtor. |) | Honorable Pamela S. Hollis |
| |) | |
| |) | Hearing Date: May 26, 2015 |
| |) | Hearing Time: 10:00 a.m. |
| |) | Courtroom: 644 |
| |) | |

NOTICE OF MOTION

PLEASE TAKE NOTICE that on **Tuesday, May 26, 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 **DEBTOR'S APPLICATION TO (I) RETAIN GAVIN/SOLMONESE LLC TO (A) PROVIDE CHIEF RESTRUCTURING OFFICER AND CERTAIN ADDITIONAL PERSONNEL, AND (B) DESIGNATE EDWARD T. GAVIN, CTP, AS CHIEF RESTRUCTURING OFFICER EFFECTIVE AS OF THE PETITION DATE, AND (II) GRANTING RELATED RELIEF**, 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- 15249 (PSH) |
| Debtor. |) | |

DEBTOR'S APPLICATION TO (I) RETAIN GAVIN/SOLMONESE LLC TO (A) PROVIDE CHIEF RESTRUCTURING OFFICER AND CERTAIN ADDITIONAL PERSONNEL, AND (B) DESIGNATE EDWARD T. GAVIN, CTP AS CHIEF RESTRUCTURING OFFICER EFFECTIVE AS OF THE PETITION DATE, AND (II) GRANTING RELATED RELIEF

Gulf Packaging, Inc., the above-captioned debtor and debtor in possession (the "Debtor," "GPI" or the "Company"), for its Application (the "Application") to (I) Retain Gavin/Solmonese LLC ("G/S") to (A) Provide the Debtor with a Chief Restructuring Officer ("CRO") and Certain Additional Personnel ("G/S Personnel"), and (B) Designate Edward T. Gavin, CTP as CRO Effective as of the Petition Date,² pursuant to that certain management agreement by and between the Debtor and G/S, dated April 14, 2015, a copy of which is attached hereto as **Exhibit A** (the "Management Agreement"), and (II) Granting Related Relief, respectfully represents:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
2. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

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

² The suffix "CTP" refers to "Certified Turnaround Professional," a credential awarded by the Association of Certified Turnaround Professionals based upon, *inter alia*, at least five years' experience as a turnaround professional, passage of a rigorous examination, an extensive background check, and maintenance of continuing professional education.

INTRODUCTION

3. On this date (the "Petition Date"), the Debtor filed with this Court a petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtor is operating its business and managing its properties as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

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

BACKGROUND

5. GPI is a national distributor of packaging equipment and supplies, which sells its product by and through multiple independent entities ("Affiliates").³ Certain of the Affiliates are also guarantors under GPI's credit facility with FCC, LLC d/b/a First Capital ("FCC"). When GPI is combined with the Affiliates, there are over twenty (20) warehousing locations to better serve GPI's customer base.

6. For the majority of GPI's business,⁴ the Affiliates employ the bulk of the salesforce and generate sales to customers. Customers issue purchase orders to GPI through one of the Affiliates, and GPI then issues a purchase order to its own trade vendors, thereby creating an account payable for GPI. GPI pays for the purchase and delivery of the goods in question, which are delivered to the customers. GPI creates an account receivable with the customer in the

³ 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.

⁴ In addition to the standard sale of packaging products and supplies as described herein, GPI sells packaging equipment (that is, equipment used to package products). On occasion GPI may lease equipment to a customer with a buyout option at the end of the term. In other instances, GPI may provide a piece of equipment free of charge in exchange for the customer purchasing consumable products, with which the equipment is used, from GPI. In this scenario, the equipment remains the property of GPI. Finally, GPI also has consignment arrangements with certain of its customers. In these instances, GPI keeps its inventory on the customer's floor and reconciles once per month. GPI bills the customer for the monthly usage and then replenishes the stock back to appropriate levels.

name of GPI with remittance by the customer to be made for the benefit of GPI to a Key Bank lock box account owned and controlled by FCC.⁵

7. 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*, filed on the Petition Date.

RELIEF REQUESTED

8. By this Application, pursuant to sections 105 and 363(b) of the Bankruptcy Code and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), GPI seeks entry of an order (a) authorizing (i) the retention of G/S to provide the Debtor with a CRO as well as additional G/S Personnel to assist the CRO in the performance of his duties, and (ii) designating Edward T. Gavin, CTP as the Debtor’s CRO (together with the G/S Personnel, the “Engagement Personnel”), effective as of the Petition Date, and (b) granting related relief. Attached hereto as **Exhibit B**, in support of the Application, is the Declaration of Edward T. Gavin, CTP (the “Gavin Declaration”).

RETENTION OF G/S

9. The Debtor requires the assistance of qualified and experienced restructuring managers with the resources, capabilities, and experience of G/S and the Engagement Personnel. G/S performs critical services that complement the services provided by the Debtor’s other professionals.

10. The Debtor believes that G/S and the Engagement Personnel are well qualified to provide restructuring management services that will assist and enhance the Debtor’s efforts to

⁵ The actual credit facility documents call for the accounts receivable deposits to be made into Merchants and Manufacturer’s Bank (“M&M”) in the name of GPI, but held for the benefit of GPI with a daily sweep made by FCC. After the closing of the FCC facility, payments of accounts receivable began going straight to FCC’s Key Bank account and that process has continued to date.

maximize the value of its estate. G/S has a wealth of experience in providing restructuring advisory services, and enjoys an excellent reputation in the restructuring community for services it has rendered on behalf of debtors and creditors throughout the United States.

11. G/S's professionals have assisted, advised, and provided strategic advice to debtors, creditors, bondholders, investors, and other entities in numerous chapter 11 cases of similar size and complexity to the Debtor's chapter 11 case.

12. Edward T. Gavin, CTP, the Managing Director and Founding Partner of G/S, who is also the leader of the Corporate Restructuring and Fiduciary Services Practice Group at G/S, will act as CRO for the Debtor. Mr. Gavin is a Certified Turnaround Professional and specializes in providing restructuring, turnaround, asset sale and structured liquidation advisory services, including holding interim financial, management and/or trustee positions, to debtors and creditors in bankruptcy and out-of-court restructurings, turnarounds and workouts. A list of Mr. Gavin's representative engagements is set forth in the Gavin Declaration.

13. G/S was retained by the Debtor in late March 2015, as the Debtor's crisis manager, in order to assist the Debtor with evaluating its options and otherwise help maximize the value of the business for GPI's constituents. Prior to the Petition Date, Mr. Gavin was appointed by the Debtor's board of directors as the CRO.

SERVICES TO BE PROVIDED

14. Subject to the Court's approval, the Debtor proposes to retain G/S to make available to the Debtor the Engagement Personnel, on the terms and conditions provided in the Management Agreement,⁶ except as otherwise set forth herein or in any order granting this Application. The terms and conditions of the Management Agreement were negotiated between

⁶ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Management Agreement.

the Debtor and G/S at arm's length and reflect the parties' mutual agreement as to the efforts that will be required in this engagement.

15. Generally, the CRO and G/S Personnel shall perform activities and services to oversee the Debtor's chapter 11 process and assist with maximizing the value of GPI's estate. The CRO shall report to GPI's board of directors. In addition to the ordinary course duties of a CRO, the Engagement Personnel may also work with the Debtor on the following:

- (a) Day to day operational and/or financial management of the Debtor's chapter 11 proceeding;
- (b) Negotiation and execution of financing relationships, including preparation of a situational analysis/business plan for submission to potential lenders;
- (c) Negotiation of and amendments to contracts, including rejection or assumption of executory contracts and real property leases;
- (d) The compromise of accounts payable and receivable and of notes payable and receivable;
- (e) Advise the Debtor's management as to the hiring and discharge of employees;
- (f) Direct communication with the Debtor's lenders, vendors, customers and employees and other constituencies; and
- (g) Provide assistant CRO staff, as necessary, to provide interim accounting, information technology, operations or other capabilities or consulting expertise as required to facilitate the Debtor's efficient progress through the bankruptcy process.

Such professional services are necessary to the Debtor's efforts to maximize value and to the ongoing operation and management of the Debtor's business while subject to chapter 11 of the Bankruptcy Code.

16. When necessary, G/S will inform the Debtor as to any changes to G/S's staffing

of the Engagement Personnel and will not add additional G/S Personnel to the engagement without first notifying and consulting with the Debtor to obtain the Debtor's agreement that such resources are necessary and not duplicative of the services being provided by other employees or professionals.

NO DUPLICATION OF SERVICES

17. The Debtor expects to apply to the Court for authorization to retain (a) Gray Reed & McGraw, P.C. and FrankGecker LLP as counsel and (b) BMC Group, Inc. as notice, claims, and solicitation agent. However, the Engagement Personnel will complement, and not duplicate, the services to be rendered by these and any other professionals retained in this chapter 11 case. G/S will work cooperatively with all of the Debtor's other professionals to ensure that value is maximized and that services are not duplicated.

G/S'S DISINTERESTEDNESS

18. To the best of the Debtor's knowledge, and except to the extent disclosed herein and in the Gavin Declaration: (a) G/S has no connection with the Debtor, its creditors, or other parties in interest, or the attorneys or accountants of the foregoing, or the Office of the United States Trustee for the Northern District of Illinois (the "U.S. Trustee") or any person employed in the Office of the U.S. Trustee; and (b) G/S does not hold any interest adverse to the Debtor's estate.

19. Although the Debtor respectfully submits that the retention of G/S is not governed by section 327 of the Bankruptcy Code, the Gavin Declaration discloses certain connections with creditors, equity security holders, and other parties in interest in this chapter 11 case. All of these matters, however, are unrelated to this chapter 11 case. G/S does not believe that any of these matters represent an interest materially adverse to the Debtor's estate or otherwise creates a

conflict of interest regarding the Debtor or this chapter 11 case.

20. To the extent that any new facts or relationships bearing on the matters described herein are discovered or arise, G/S will promptly file supplemental disclosures.

TERMS OF RETENTION

I. Professional Compensation and Expense Reimbursement

21. G/S's acceptance of this engagement is conditioned upon its ability to be retained and compensated in accordance with its customary terms and conditions and in accordance with the Management Agreement (all such proposed terms, the "Fee and Expense Structure"), described more fully below and in the Management Agreement, to which the Debtor respectfully refers the Court.

22. G/S was originally retained by the Debtor on March 30, 2015 as crisis manager. The Management Agreement was executed on April 14, 2015 to expand the scope of the engagement to include CRO services. The current hourly billing rates, based on the position of the particular Engagement Personnel are subject to the following ranges:

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| Principals | \$400 to \$650 |
| Managing Directors | \$300 to \$650 |
| Senior Consultants & Directors | \$225 to \$350 |
| Other professional staff | \$125 to \$250 |

G/S may adjust its rates from time to time with reasonable advance notice to the Debtor.

23. In addition to the hourly fees described above, in the event that the Debtor requests that G/S seek additional and/or replacement financing for the Debtor, G/S will be entitled to a Success Fee. The Success Fee will accrue at the closing of each financing that occurs within one year from the execution of the Management Agreement and will be calculated as follows: five percent (5%) of the total financing facilities for senior secured debt, plus five percent (5%) of the total financing facilities for all other debt, plus five percent (5%) of the total

financing facilities for equity and/or forgiveness or assumption of debt, if any. In the event that the Success Fee is earned by G/S, G/S will apply to the Court for approval of such fees at the conclusion of this chapter 11 case, and such application will be subject to a reasonableness standard under section 330 of the Bankruptcy Code.

24. In addition to compensation for professional services rendered by Engagement Personnel, G/S will seek reimbursement for reasonable and necessary out-of-pocket expenses incurred in connection with this chapter 11 case, including, without limitation, travel, phone, fax and courier. G/S will not charge for travel time to the Debtor's Illinois location, except for travel between G/S's Chicago, Illinois office and the Debtor's location.

25. In advance of filing, G/S received a retainer in the amount of \$50,000.00 to be held and applied to any outstanding prepetition invoice, with the remainder to be held as a retainer for post-petition services and expense reimbursement. G/S has been paid \$187,972.55 for all services rendered, and expenses incurred, through the Petition Date, leaving a retainer balance of \$45,820.12.

II. Indemnification

26. As more fully described in the Management Agreement, the Debtor seeks authority to indemnify and hold harmless G/S and Mr. Gavin from any and all losses, claims, or liabilities, including reasonable legal fees and expenses, based upon or arising out of G/S's performance of services in this chapter 11 case, except where any claims or losses are due to willful or reckless misconduct, or gross negligence, as determined by a final judgment from which all appeals have been exhausted. In addition, the Debtor has agreed to indemnify the Engagement Personnel to the same extent as the most favorable indemnification it extends to its

officers and directors and to cover such Engagement Personnel under any director and officer liability policy.

FEEES AND REPORTING

27. Upon Court approval of the relief requested herein, G/S will be retained to provide the Debtor with the necessary Engagement Personnel, and Mr. Gavin will be designated as the Debtor's CRO pursuant to sections 363 and 105(a) of the Bankruptcy Code. Because G/S is not being employed as a professional under section 327 of the Bankruptcy Code, the Debtor requests that G/S not be required to submit fee applications pursuant to sections 330 and 331 of the Bankruptcy Code. Instead, G/S will submit monthly invoices to the Debtor, with time kept in quarter-hour increments, notwithstanding any language to the contrary in the Management Agreement, commencing with the post-petition period ending April 30, 2015, and the Debtor seeks authority to pay those invoices in the ordinary course of its business. In addition, G/S will file with the Court and serve on counsel to FCC, the U.S. Trustee and any official committee appointed in this chapter 11 case (collectively, the "Notice Parties") a quarterly report of compensation earned and expenses incurred (the "Compensation Report") summarizing the services provided, identifying compensation earned by each executive officer and staff employee, and itemizing expenses incurred. The Notice Parties shall have twenty (20) days after the date on which each Compensation Report is served upon them to object. Compensation and expenses identified in G/S's Compensation Reports will be subject to review by the Court in the event an objection is filed. G/S will file its first quarterly Compensation Report by July 20, 2015.

ARGUMENTS & AUTHORITIES

28. The Debtor seeks to employ and retain G/S, and appoint Mr. Gavin as CRO, pursuant to sections 363 and 105(a) of the Bankruptcy Code, effective as of the Petition Date.

Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” Further, pursuant to section 105(a) of the Bankruptcy Code, the “court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.”

29. Under applicable case law, in this and other jurisdictions, a debtor’s proposed use of its assets pursuant to section 363(b) of the Bankruptcy Code, other than in the ordinary course of business, is authorized when “the transaction makes good business sense” and “preserves the priorities among creditors.” *See, e.g., United Retired Pilots Benefits Protection Assn. v. United Airlines, Inc. (In re UAL Corp.)*, 443 F.3d 565, 572 (7th Cir. 2006); (“the criteria for approval [under § 363(b)(1) is] whether the transaction makes good business sense and does not disturb creditors’ rights”); *Fulton State Bank v. Schipper (In re Schipper)*, 933 F.2d 513, 515 (7th Cir. 1991) (sale under § 363 involves exercise of fiduciary duty and requires an “articulated business justification”); *In re Borders Group, Inc.*, 453 B.R. 459, 473 (Bankr. S.D.N.Y. 2011) (same).

30. The retention of a CRO is necessary and appropriate under the circumstances. The Debtor’s former CEO resigned in April 2014, shortly before this case was filed, and the Debtor is otherwise severely understaffed and lacks both the manpower and experience to handle the extensive administrative matters required in a chapter 11 case, while at the same time operating the business and maximizing value. An experienced professional in financial, operational, and bankruptcy-specific matters is a necessary and integral part of maximizing value and ensuring efficiency and compliance with the Bankruptcy Code, the Bankruptcy Rules and the various bankruptcy reporting obligations imposed on debtors in possession.

31. The decision to retain G/S and employ Mr. Gavin as CRO is a sound exercise of the Debtor's business judgment. First, Mr. Gavin has extensive experience as an advisor for many troubled companies and has extensive experience in chapter 11 cases. The Debtor believes that Mr. Gavin, in his capacity as CRO, and the G/S Personnel, will provide services that will benefit the Debtor's estate and creditors. In addition, G/S has extensive experience in providing restructuring consulting services in chapter 11 proceedings and enjoys an excellent reputation as a restructuring firm throughout the United States. Second, Mr. Gavin and G/S Personnel, working in conjunction with the Debtor's senior management and other professionals, have already proven to be of invaluable assistance to the Debtor prepetition in connection with operational issues, assisting with short-term cash management activities, evaluating financial and operational alternatives, and coordinating the Debtor's overall efforts to prepare for and operate in chapter 11. Consequently, G/S's extensive knowledge about the Debtor will be invaluable during this chapter 11 case. Third, the economic terms of G/S's retention are fair, reasonable, and beneficial to the Debtor's estate, and were negotiated at arm's length. The Debtor believes that the Fee and Expense Structure is comparable to those generally charged by restructuring advisors of similar stature to G/S for similar engagements. Given the numerous issues that G/S may be required to address in the performance of its services hereunder, and the market prices for G/S's services for engagements of this nature both in and out of court contexts, the Debtor believes that the Fee and Expense Structure is in line with market compensation for similar services and is fair and reasonable.

32. For the reasons set forth herein, the Debtor respectfully submits that the retention of G/S and the employment of Mr. Gavin as the Debtor's CRO is a sound exercise of the Debtor's business judgment and in the best interests of all parties in interest in this chapter 11

case. The Debtor further believes that G/S is well-qualified and equipped to represent the Debtor in a cost-effective, efficient, and timely manner. Accordingly, the Debtor respectfully requests that the Court authorize the Debtor to retain G/S to provide the Debtor with a CRO, as well as any additional and necessary G/S Personnel, and to designate Mr. Gavin as the CRO to the Debtor, effective as of the Petition Date, all pursuant to section 363 of the Bankruptcy Code.

33. Courts in this District and in other jurisdictions have approved relief similar to that requested in this Application. *See, e.g., In re Alco Stores, Inc.*, No. 14-34941 (SGJ) (Bankr. N.D. Tex. Nov. 24, 2014); *In re Lyon Workspace Prods., LLC*, No. 13-02100 (JSB) (Bankr. N.D. Ill. Feb. 19, 2013); *In re Hartford Computer Hardware, Inc.*, No. 11-49744 (PSH) (Bankr. N.D. Ill. Apr. 12, 2012); *In re Veritis Holdings, Inc.*, No. 12-12821 (CSS) (Bankr. D. Del. Nov. 20, 2012); *In re CHL, LTD.*, No. 12-12437 (KJC) (Bankr. D. Del. Sept. 24, 2012); *In re Pilgrim's Pride Corp.*, No. 08-45664 (DML) (Bankr. N.D. Tex. Feb. 9, 2009).

34. Based on the foregoing, the Debtor respectfully submits that the retention of G/S, and the designation of Edward T. Gavin, CTP as the Debtor's CRO on the terms set forth herein and in the Management Agreement, is necessary, appropriate, and in the best interest of the Debtor's estate, creditors, and other parties in interest and should be approved.

NOTICE

35. 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

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

WHEREFORE, the Debtor respectfully requests entry of an order, substantially in the form attached hereto as **Exhibit C**, granting the relief requested herein and granting such other relief as is just and proper.

Respectfully submitted this 29th day of April, 2015.

FRANK GECKER LLP

/s/ Joseph D. Frank

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PROPOSED COUNSEL TO THE DEBTOR

EXHIBIT A

Management Agreement

MANAGEMENT AGREEMENT

This Management Agreement (the "Management Agreement") made this 14th day of April 2015, by and between Gulf Packaging, Inc. a Texas corporation ("Client"), with its principal places of business at 7720 FM 1960 East, Humble, TX 77346 and 1040 Maryland Avenue, Dalton, IL 60419 ("Facility") and Gavin/Solmonese LLC with offices at 919 N. Market Street, Suite 600; Wilmington, DE 19801 ("Manager").

WHEREAS, Client and Manager are parties to an Advisory Agreement dated March 30, 2015 (the "Advisory Agreement"), attached hereto as Exhibit A; and

WHEREAS, Client contemplates a filing under Chapter 11 of Title 11 of the United States Code imminently; and

WHEREAS, Client wishes to amend the scope of the engagement contemplated in the Advisory Agreement to include services as Chief Restructuring Officer as defined in Section 1 below; and

WHEREAS, Client and Advisor agree to amend the Advisory Agreement with this Management Agreement; and

WHEREAS, Client desires to retain the services of Manager as set forth herein in accordance with the terms and conditions of this Management Agreement; and

WHEREAS, Manager desires to use its best efforts to provide the services to Client as set forth herein, in accordance with the terms and conditions of this Management Agreement;

NOW THEREFORE, in consideration of the mutual promises set forth herein, and intending to be legally bound, Client and Manager hereby agree as follows:

I. SERVICES TO BE RENDERED ON A REASONABLE EFFORTS BASIS

A. The duties of Manager in its conduct of business on a reasonable efforts basis, on behalf of Client will include, without limitation and as appropriate:

1. Day to day operational and/or financial management of Client's case under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Case"), in Manager's capacity as Chief Restructuring Officer of Client.
2. Negotiation and execution of financing relationships, including preparation of a situational analysis/business plan for submission to potential lenders.
3. Negotiation of and amendments to contracts, including rejection or assumption of executor contracts and real property leases.
4. The compromise of accounts payable and receivable and of notes payable and receivable.

5. Advise client's management as to the hiring and discharge of employees.
 6. Direct communication with Client's lenders, vendors, customers and employees and other constituencies.
 7. Provide assistant Chief Restructuring Officer staff, as necessary, to provide interim accounting, information technology, operations or other capabilities or consulting expertise as required to facilitate Client's efficient progress through the Bankruptcy Case.
 9. Such other duties as are usually and customarily performed by a Chief Restructuring Officer, of a business of similar kind and size as Client.
- B. Manager shall be duly elected to the office of Chief Restructuring Officer in accordance with the by-laws of Client, and the by-laws or other proper corporate resolutions of Client shall authorize Manager to perform the duties set forth in this Management Agreement.
- C. Manager shall be as thoroughly covered as the most well covered officer and director by such directors' and officers' insurance policy, or other general liability policy or policies, as Client shall have in effect for the total duration of this Agreement.

D. Notwithstanding the foregoing, Manager shall have:

1. No duty or authority to enter into any contract or to pursue a course of action that requires the approval of the Board of Directors of Client without having first obtained such approval;
 2. No duty, no responsibility, and no authority with respect to regulatory compliance duties prior to the effective date of this Agreement, including without limitation: (a) the management, handling, transport, disposal or remediation of hazardous waste or hazardous substances; (b) compliance with applicable federal, state or local statutes, ordinances, regulations orders and requirements of common law in any way affecting or pertaining to health, safety or the environment; and (c) filings with federal and state securities authorities and filings and payments to federal, state, and local taxing authorities, and;
 3. In acting on behalf of Client, no duty to nor any authority to enter into any agreement with Manager (other than as necessary to carry out the terms of this Management Agreement) nor to extend, renew, modify, amend or terminate this Management Agreement.
- E. If requested in writing by Client, Manager shall seek additional and/or replacement financing for Client, and shall be Client's exclusive agent therefore unless otherwise agreed to in writing between the parties. Manager shall assist Client in preparing a Confidential Financing Memorandum, canvassing prospective financing sources, obtaining executed nondisclosure agreements in cooperation with Client's legal counsel, soliciting proposals from prospective financing sources, negotiating financing terms and documentation in cooperation with Client's legal counsel, making recommendations to Client concerning the financing proposal(s) submitted, and supporting the due diligence process through to closing(s). In addition to all other amounts due Manager, Manager shall be paid the Success Fee(s) specified hereunder in respect of financ-

ing.

F. Not Applicable.

G. Not Applicable.

II. REPORTING RESPONSIBILITY

- A. Manager will report to Client's Board of Directors, whose names and contact information are listed on Exhibit A attached hereto, with daily contact being Jeff Cutshall, President or his assigns or designees.

III. REGULATORY COMPLIANCE

- A. All regulatory compliance decisions concerning Client's business before the effective date of this Agreement are the responsibility of Client; and, without limitation, Manager shall have no duty, no responsibility, and no authority with respect to regulatory compliance duties before the effective date of this Agreement, including, without limitation: (1) the management, handling, transport, disposal or remediation of hazardous wastes or hazardous substances; (2) compliance with applicable federal, state or local statutes, ordinances, regulations, orders and requirements of common law in any way affecting or pertaining to health, safety or the environment; and (3) filings with federal and state securities authorities and federal, state and local taxing authorities.

IV. TERM OF MANAGEMENT AGREEMENT

- A. This Management Agreement will be for a term of twelve months, commencing at the beginning of business on April 14, 2015 and ending at the close of business on April 13, 2016 ("Ending Date"). In the event written notice of termination of this Management Agreement is not afforded by either party to the other within 15 days of any Ending Date, the Ending Date shall be deemed extended by one month.
- B. Notwithstanding the foregoing Section II(A), this Management Agreement shall terminate upon seven (7) days written notice by either party to the other as provided herein.
- C. Sections VI, X and XII shall survive termination hereof.

V. PLACE OF WORK

- A. Manager's services shall be performed initially in substantial part at the Facility, and Client agrees to afford to Manager office space, reasonably appropriate to Manager's position or title, at Facility other business premises owned by or available to Client.

VI. FEES TO MANAGER

- A. Retainer
Manager has already received a retainer in the amount of \$50,000 pursuant to the Advisory Agreement, which is kept until the engagement is over and will be applied to the final invoice.

B. Fees and expenses

Client agrees to pay fees for services rendered by personnel of Manager based upon the hourly rates set forth below, as such rates may be adjusted from time to time with reasonable advance notice to Client. Travel time will be charged at one-half of the applicable hourly rate. Client agrees to reimburse Manager for expenses incurred by Manager by reason of this Agreement, including, without limitation, for travel, phone, fax and courier.

| | <u>Hourly</u> |
|--------------------------------|----------------|
| Principals | \$400 to \$650 |
| Managing Directors | \$300 to \$650 |
| Senior Consultants & Directors | \$225 to \$350 |
| Other professional staff | \$125 to \$250 |

Manager will not charge for travel time to Client's Illinois location, except for travel between Manager's Chicago, IL office and client's location.

C. Billing and Payment

Manager agrees to render monthly invoices to Client for fees and expenses of its personnel. Any delay in rendering such invoices shall not constitute a waiver by Manager of such fees and expenses. Client agrees to pay such invoices upon receipt after review and approval by Client which shall not be unreasonably withheld or delayed, by wire transfer to Manager's bank: PNC Bank N.A., Wilmington, DE, ABA# 031-000089 Account #5693586093 with telephone notification to Judy Sacher at 302-655-8997 ext. 227. If Manager agrees in writing, payments may be made by check upon receipt of invoice.

D. Taxes

Client agrees that all taxes due from Client by reason of amounts payable, or paid, to Manager under this Section VI (including, without limitation, sales and payroll taxes) are the responsibility of and to be paid by Client.

E. Success Fees

1. In the event Client requests in writing services set forth in section I(E) hereof, in addition to all amounts due Manager hereunder, Manager shall be paid Success Fee(s) in certified funds at the closing of each financing which occurs within one year from the execution date of this Agreement, provided Manager performed and completed such documentation, solicitation and due diligence tasks routinely associated with a refinancing for such financing. Such Success Fee(s) shall be equal to five percent (5%) of the total financing facilities for senior secured debt, plus five percent (5%) of the total financing facilities for all other debt, plus five percent (5%) of the total financing facilities for equity and/or forgiveness or assumption of debt, if any. In the event that any success fee is earned after filing of the Client's Bankruptcy Case, such fee shall only be payable subject to the approval of the Bankruptcy Court.

2. Not Applicable.

3. Not Applicable.

VII. STATUS OF MANAGER

- A. Edward T. Gavin, CTP will be the individual acting for Manager in performing this Management Agreement (the "Individual Manager"). Until such time as Client receives written notification to the contrary from Manager, such Individual Manager has full authority to provide services hereunder on behalf of Manager.
- B. Manager has authority to remove any Individual Manager as the individual performing the duties for Manager under this Management Agreement, and to reasonably substitute another individual to perform Manager's duties hereunder. Client shall be afforded reasonable written notification and right of approval of such termination and named substitution.
- C. Manager and Individual Manager shall perform all services hereunder as independent contractors and not as employees of Client, and neither Manager nor Individual Manager shall receive any remuneration from Client, including, without limitation, participation in disability, retirement, pension, profit sharing or other benefit or deferred compensation plans of Client, other than as set forth herein. The name of Manager and its personnel, including, without limitation, the Individual Manager, shall not be set forth in any document of Client, or otherwise used by Client, unless Manager in acting for Client sets forth such name(s) or Manager shall have previously consented thereto in writing.

VIII. INFORMATION AND CONFIDENTIALITY

- A. Information
Client agrees to provide access to all Client company financial and other information and records, and to Client's directors, officers, employees, and representatives, creditors and other stakeholders as Manager deems appropriate.
- B. Confidentiality
All information concerning Client's business, whether or not in writing, of a private, secret or confidential nature concerning Client is and shall remain the exclusive property of Client, and no such information shall be divulged by Manager to third parties, other than in the reasonable course of the performance of services to be rendered hereunder, unless such information becomes public knowledge or is required by law or order of a court to be disclosed.
- C. Representations
Client is unaware of any material misrepresentation or misstatement with respect to information provided or to be provided to Manager, and will immediately notify Manager in writing if at any time Client discovers that there has been such material misrepresentation.

IX. ENGAGEMENT OF OTHERS

- A. If Client requests or agrees in writing that Manager arrange for services of a third-party, Client will compensate such third-party service providers, including, without limitation, attorneys, accountants, financial managers, brokers, and property managers, in accordance with the agreed compensation terms of such third-parties.

X. INDEMNIFICATION AND HOLD HARMLESS

A. Indemnification and Hold Harmless

Client agrees to indemnify and hold harmless Manager, to the full extent lawful, against any and all losses, actions, claims, damages, liabilities or costs including reasonable legal fees and expenses (collectively, "Loss"), whether or not in connection with a matter in which Manager is a party, as and when incurred, directly or indirectly, caused by, relating to, based upon or arising out of Manager acting for Client pursuant to the Management Agreement. Manager shall not be held liable for errors in judgment. Notwithstanding the foregoing, Client shall have no duty to indemnify or to hold harmless Manager for any loss, action, claim, damage, liability or cost to the extent such Loss is found, in a final judgment by a court of competent jurisdiction, to have resulted primarily and directly from the willful misconduct or unlawful activities of Manager.

B. Limitation of Liability

Client and its subsidiaries agree that Manager's liability to Client, to the extent not otherwise limited, indemnified or held harmless hereunder, is further limited to the amount of fees paid to Manager hereunder.

C. Included Indemnitees

These indemnification and hold harmless provisions shall be in addition to any liability which Client may otherwise have to Manager and shall include in addition to Manager, the Individual Manager(s) performing this Management Agreement, Manager's affiliated entities, directors, officers, employees, agents and controlling persons of Manager within the meaning of the federal securities laws. All references to Manager in these indemnification and hold harmless provisions shall be understood to include any and all of the foregoing.

D. Counsel and Notification of Client

If any claim, action, proceeding, or investigation is commenced as to which Manager proposes to demand such indemnification and to be held harmless, it will notify Client promptly upon becoming aware of any such action, proceeding or investigation. Manager will have the right to retain counsel of its own choice to represent it subject to Client's prior approval which shall not be unreasonably withheld, Client will pay the reasonable fees and expenses of such counsel; and such counsel shall to its fullest extent consistent with its professional responsibilities cooperate with Client and any counsel designated by it. Client will only be liable for any settlement of any claim against Manager made with Client's written consent, which consent shall not be unreasonably withheld.

E. Duration

Neither termination nor completion of the engagement of Manager pursuant to the Management Agreement shall affect the indemnification and hold harmless provisions which shall remain operative and in full force and effect.

F. Health, Safety and Environmental Inclusion

For purposes of indemnifying and holding Manager harmless from any breach of the representations, warranties and covenants set forth hereunder, Client agrees to indemnify and hold harmless Manager to the full extent set forth hereunder.

- G. In the event of litigation between Client and Manager, the prevailing party shall be entitled to recover its reasonable fees and expenses, including attorney's fees. Any disputes arising between the parties shall be governed by the laws of the State of Delaware or the United States Bankruptcy Court presiding over Client's Bankruptcy Case. Proper venue shall be the United States District Court for the District of Delaware.

XI. HEALTH, SAFETY AND ENVIRONMENTAL REPRESENTATIONS, WARRANTIES, AND COVENANTS

A. Client represents and warrants that, to the best of its knowledge:

1. All activities and operations of Client, including without limitation, those at the Facility, have been or will be conducted in compliance with all applicable federal, state and local environmental, health, and safety statutes, ordinances, regulations and orders and requirements of common law (collectively, "Environmental Statutes").
2. No Hazardous Substance (as herein defined) is present in, on, over or under or is migrating from the Facility (or at other facilities owned or leased by Client or its subsidiaries (collectively, "Client Facilities")) in a manner as may require remediation under any Environmental Statutes or, to Client's knowledge, is present in, on, over or under any adjacent premises or is migrating to the Facility or to Client Facilities except as may otherwise be disclosed following any facility audit(s) to be performed after the effective date of this Agreement. The term "Hazardous Substances" means substances and materials that are regulated pursuant to Environmental Statutes including, without limitation, substances and materials that are or contain hazardous substances, hazardous wastes, hazardous materials, toxic substances, regulated substances, and petroleum as those terms are defined pursuant to any Environmental Statute.
3. Client has obtained, maintained and is in, or, if deemed deficient after the effective date of this Agreement, will achieve compliance with all registrations, licenses, permits and approvals, including amendments thereto, issued by governmental agencies pursuant to Environmental Statutes and all are in full force and effect.
4. The generation, handling, treatment, storage, transportation and disposal of Hazardous Substances and waste by, or on behalf of, Client was and is in, or, if determined to be deficient after the effective date of this Agreement, will achieve compliance with all applicable federal, state and local laws, ordinances and regulations, including Environmental Statutes.
5. Client has not received any notice of any violation of or investigation or claim of liability under any Environmental Statute regarding or relating to the Facility and Client Facilities and their operation or notice of any investigation or potential liability of Client regarding any other facility including, without limitation, those to which Client, Client Facilities or the Facility sent Hazardous Substances or waste for handling, treatment, storage or disposal ("Other Facilities").
6. Neither the Facility, Client Facilities, nor any Other Facility is listed or proposed for listing on the National Priorities List or the Comprehensive Environmental

Response, Compensation and Liability Information System list promulgated pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq., as amended, or any analogous state or local list.

B. Client agrees hereafter to remain in compliance with all Environmental Statutes.

XII. MISCELLANEOUS PROVISIONS

A. Entire Agreement

This Management Agreement constitutes the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and may not be amended, changed, modified, or supplemented, except in writing signed by each party, for which purposes an exchange of electronic mail or faxes clearly indicating mutual agreement shall be acceptable.

B. Assignment

Neither party shall sell, assign, convey or otherwise transfer this Management Agreement, or any of the rights, interests or obligations hereunder to any other party without the prior written consent of the other party, except that Manager may assign this Management Agreement to a corporation in which Edward T. Gavin is a shareholder.

C. Notices

Any written notice required to be given hereunder shall be validly given if delivered personally or sent by registered or certified mail, postage prepaid, to the address of the party set forth in the opening paragraph of this Management Agreement, or to such other address as one party shall provide in writing to the other in accordance with this paragraph.

D. Interpretation

The validity, interpretation, and enforcement of this Management Agreement shall be governed by the internal laws of the State of Delaware applicable to agreements made and to be fully performed therein.

E. Waiver

The waiver of any breach of any provision of this Management Agreement by a party to this Management Agreement shall not operate or be construed as a waiver of any subsequent breach by such party.

F. Separability of Provisions

If any provision of this Management Agreement shall be or become illegal or unenforceable in whole or in part for any reason whatsoever, the remaining provisions shall nevertheless be deemed, valid, binding and subsisting.

G. Headings and Paragraphs

The headings and paragraphs of this Management Agreement are for convenience only and shall not affect the interpretation of this Management Agreement.

H. Bankruptcy

In case of bankruptcy filing by Client, Client will make best efforts to seek an order of the bankruptcy court assuming this contract without change. In addition, such order, by attaching this Agreement thereto, shall seek to ensure that all payments to

Manager are final and unappealable by Client as Debtor, by the Official Committee of Unsecured Creditors, the U.S. Trustee and Chapter 11 Trustee, if any.

I. Employment of Manager's Professional Staff

If during the term of this Agreement or any further extensions or modifications of this Agreement, or for a period of one year thereafter, Client offers, or any of Manager's personnel accepts, any employment position or contract with Client, Manager shall be deemed to have earned a reasonable commission in connection therewith, which shall be calculated at a rate of 30% of the annualized compensation in the event of employment or of the annualized contract amount in the event of a contract, which shall be payable immediately upon presentation of Manager's invoice therefore.

XIII. DISCLOSURE

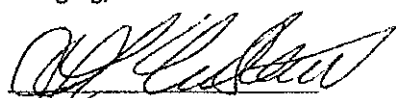
- A. Manager hereby discloses that Manager has many relationships in the business community involving lenders, law firms, accounting firms, consulting firms, independent consultant contractors, and others. These relationships may include Manager in the past or currently: receiving client referrals, providing client referrals, providing or receiving professional services, employing employees or contractors or serving as a contractor, and other types of relationships. These relationships may include lenders, professionals or others that have a connection with Client and/or Manager's services provided under this Management Agreement. Such relationships are expected to continue and new ones may begin during the provision of services hereunder. Manager represents that its independence in providing services hereunder is not compromised by such relationships, and is willing to confer with Client at Client's request concerning the specific nature of any such relationships Manager may have.
- B. Manager hereby further discloses that Manager operates an independent, affiliate entity, NHB Capital Partners, which provides private investment capital in concert with an institutional partner. While Manager has extraordinary access to NHB Capital Partners, Client should not infer from this relationship that any investment in Client would be scrutinized in a manner materially different from that of any other investment in or with a non-client. NHB Capital Partners has its own fiduciary responsibilities to its investors and all transactions should be considered "arms length". Furthermore, should Client, its lenders or investors, perceive an inherent conflict of interest, because of the relationship with NHB Capital Partners, then Manager shall, upon written request, prohibit NHB Capital Partners from participating in any Client transaction.

IN WITNESS WHEREOF, the parties hereto have executed this Management Agreement on the day and year first above written.

Gulf Packaging, Inc.

Gavin/Solmonese LLC

By:


Jeff Cutshall
President

By:



Edward T. Gavin, CTP
Managing Director

Exhibit A

Client's Directors and their Contact Information

Exhibit B

Advisory Agreement dated March 30, 2015

ADVISORY AGREEMENT

This Advisory Agreement (the "Agreement") made this 30th day of March 2015, by and between Gulf Packaging, Inc., a Texas corporation, and its subsidiaries (which shall be jointly and severally responsible for obligations hereunder and are collectively referred to as the "Client"), with its principal place of business at 7720 FM 1960 East, Humble, TX 77346 (the "Facility") and Gavin/Solmonese LLC, with offices at 919 N. Market Street, Suite 600, Wilmington, Delaware, 19081 (the "Advisor").

WHEREAS, Client is in financial distress and requires assistance creating and executing a go-forward plan to deal with maximization of value for its creditors;

WHEREAS, Client desires to retain the services of Advisor as set forth herein in accordance with the terms and conditions of this Agreement; and;

WHEREAS, Advisor desires to provide the services to Client as set forth herein, in accordance with the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the mutual promises set forth herein, and intending to be legally bound, Client and Advisor hereby agree as follows:

I. ADVISORY SERVICES TO BE RENDERED ON A REASONABLE EFFORTS BASIS

A. Scope of Work

1. Advisor shall provide advisory services to Client, on a client-requested basis, to include, but not be limited to:
 - i. Assessing the current situation with respect to Client's business and assessing go-forward options with respect to same;
 - ii. Creating a plan to present to First Capital to address Client's repayment plan for its outstanding secured indebtedness to First Capital;
 - iii. Assist Client in communicating with unsecured creditors as to Client's disposition;
 - iv. Assist Client in executing on any plan to wind-down the Client's business operations, including sale of inventory, collection of accounts receivable or other means of liquidation for the benefit of Client's creditors, and;
 - v. Such other services as Client may reasonably request and Advisor may agree to perform.
2. If requested by Client in writing, Advisor shall seek purchaser(s) for all or part(s) of Client's business, and shall be Client's exclusive agent therefore. Advisor shall assist Client in preparing a Confidential Sales Memorandum, canvassing prospective purchasers, obtaining execution of nondisclosure agreements in cooperation with Client's legal counsel, soliciting proposals from prospective purchasers, negotiating financing terms and documentation in cooperation with Client's legal counsel, making recommendations to Client

concerning the purchase proposal(s) submitted, and supporting the due diligence process through to closing(s). In addition to all other amounts due Advisor, Advisor shall be paid the Transaction Fee(s) specified hereunder in respect of sales of all or part of Client's business.

- B. If requested in writing by Client, Advisor shall seek additional and/or replacement financing for Client, and shall be Client's exclusive agent therefore. Advisor shall assist Client in preparing a Confidential Financing Memorandum, canvassing prospective financing sources, obtaining executed nondisclosure agreements in cooperation with Client's legal counsel, soliciting proposals from prospective financing sources, negotiating financing terms and documentation in cooperation with Client's legal counsel, making recommendations to Client concerning the financing proposal(s) submitted, and supporting the due diligence process through to closing(s). In addition to all other amounts due Advisor, Advisor shall be paid the Financing Fee(s) specified hereunder in respect of financing.
- C. Advisor and its personnel do not hold themselves out as having the licenses of, nor do Advisor and its personnel perform the services of, attorneys, accountants, brokers or other service providers requiring a license.
- D. Unless otherwise specified in writing by Advisor, Advisor does not promise any particular results or outcomes in connection with services provided hereunder.

II. REPORTING RESPONSIBILITY

- A. Advisor will report to Client's Board of Directors, whose names and contact information are listed on Exhibit A attached hereto, with daily contact being Jeff Cutshall, President.

III. REGULATORY COMPLIANCE

- A. All regulatory compliance decisions concerning Client's business are the responsibility of Client and, without limitation, Advisor shall have no duty, no responsibility, and no authority with respect to regulatory compliance duties, including, without limitation: (1) the management, handling, transport, disposal or remediation of hazardous wastes or hazardous substances; (2) compliance with applicable federal, state or local statutes, ordinances, regulations, orders and requirements of common law in any way affecting or pertaining to health, safety or the environment; and (3) filings with federal and state securities authorities and federal, state and local taxing authorities.

IV. TERM OF AGREEMENT

- A. This Agreement will be for a term of six (6) months commencing at the beginning of business on March 30 2015 and ending on August 31, 2015 ("Ending Date"). In the event written notice of termination of this Agreement is not provided by either party to the other within 15 days of any Ending Date, the Ending Date shall be deemed extended by one month.
- B. Notwithstanding the foregoing Section IV(A), this Agreement shall terminate upon

seven (7) days written notice by either party to the other as provided herein.

C. Sections VI, X and XI shall survive termination hereof.

V. PLACE OF WORK

A. If the Client and Advisor agree that it would be advisable in light of the work to be performed for Advisor to perform work at the Facility, Client agrees to afford to Advisor's office space at Facility or other business premises owned by or available to Client.

VI. FEES TO ADVISOR

A. Retainer

A retainer payment equal to \$50,000 is due upon signing this Agreement and will be held until the final invoice is generated, at which time it will be applied to the final invoice with any excess refunded to Client.

B. Fees and expenses

1. Client agrees to pay fees for financial advisory services rendered by personnel of Advisor based upon the hourly rates set forth below, as such rates may be adjusted from time to time with reasonable advance notice to Client. Travel time will be charged at one-half of the applicable hourly rate. Client agrees to reimburse Advisor for expenses incurred by Advisor by reason of this Agreement, including, without limitation, for travel, phone, fax and courier.

| | <u>Hourly</u> |
|--------------------------------|----------------|
| Senior & Managing Directors | \$300 to \$650 |
| Senior Consultants & Directors | \$225 to \$400 |
| Other professional staff | \$125 to \$250 |

2. In addition to the hourly fees in Section I.A.2. above, Advisor shall be paid Transaction Fee(s) in certified funds at the closing of each sale which occurs within one year from the execution date of this Agreement, regardless of whether the source(s) of financing was introduced by Advisor. Such Transaction Fees shall be calculated as Five Percent (5%) of the total sale consideration for each sale transaction and shall be paid directly from the proceeds of each sale.
3. In the event Client requests in writing services set forth in section I(B) hereof, in addition to all amounts due Advisor hereunder, Advisor shall be paid Financing Fee(s), equal to five percent (5%) of the amount(s) of financing received, payable in certified funds at the closing of each financing which occurs within one year from the execution date of this Agreement, regardless of whether the source(s) of financing was introduced by Advisor.

C. Billing and Payment

Advisor agrees to render weekly invoices to Client each Monday for fees and expenses of its personnel incurred through the previous Sunday. Any delay in rendering such

invoices shall not constitute a waiver by Advisor of such fees and expenses. Client agrees to pay such invoices upon receipt by wire transfer to Advisor's bank: PNC Bank N.A., Philadelphia, PA, ABA# 031100089 Account #5693586093 with telephone notification to Judy Sacher at (302) 655-8997 ext. 227. If Advisor agrees in writing, payments may be made by check upon receipt of invoice.

D. Taxes

Client agrees that all taxes due from Client by reason of amounts payable, or paid, to Advisor under this Section VI (including, without limitation, sales and payroll taxes) are the responsibility of and to be paid by Client.

VII. STATUS OF ADVISOR

- A. Advisor and all personnel of Advisor shall perform all services hereunder as independent contractors and not as employees of Client, and neither Advisor nor its personnel shall receive any remuneration from Client, including participation in disability, retirement, pension, profit sharing or other benefit or deferred compensation plans of Client, other than as set forth herein. The name of Advisor or its personnel shall not be set forth in any document of Client, or otherwise used by Client, unless Advisor shall have previously consented thereto in writing.

VIII. INFORMATION AND CONFIDENTIALITY

A. Information

Client agrees to provide Advisor access to all financial and other information and records and to Client's directors, officers, employees, representatives, creditors and other stakeholders as Advisor reasonably deems appropriate.

B. Confidentiality

All information concerning Client's business, whether or not in writing, of a private, secret or confidential nature concerning Client, is and shall remain the exclusive property of Client, and no such information shall be divulged by Advisor to third parties, other than in the reasonable course of the performance of services to be rendered hereunder, unless information becomes public knowledge or is required by law or order of a court.

C. Representations

Client is unaware of any material misrepresentation or misstatement with respect to information provided or to be provided to Advisor, and will immediately notify Advisor in writing if at any time Client discovers that there has been such material misrepresentation.

IX. ENGAGEMENT OF OTHERS

- A. Not Applicable.

X. INDEMNIFICATION AND HOLD HARMLESS

- A. Indemnification and Hold Harmless

Client agrees to indemnify and hold harmless Advisor, to the full extent lawful, against any and all losses, actions, claims, damages, liabilities or costs including reasonable legal fees and expenses (collectively, "Loss"), whether or not in connection with a matter in which Advisor is a party, as and when incurred, directly or indirectly, caused by, relating to, based upon or arising out of Advisor acting for Client pursuant to the Agreement. Advisor shall not be held liable for errors in judgment. Notwithstanding the foregoing, Client shall have no duty to indemnify or to hold harmless Advisor for any loss, action, claim, damage, liability or cost to the extent such Loss is found, in a final judgment by a court of competent jurisdiction to have resulted primarily and directly from the gross negligence, willful misconduct or unlawful activities of Advisor as determined by a Court of law. If Client is a debtor-in-possession in a chapter 11 proceeding, no amounts shall be payable by the debtor, pursuant to any indemnification obligation, without prior approval of the Bankruptcy Court.

B. Limitation of Liability

Client and its subsidiaries agree that Advisor's liability to Client, to the extent not otherwise limited, indemnified or held harmless hereunder, is further limited to the amount of fees paid to Advisor hereunder.

C. Included Indemnities

These indemnification and hold harmless provisions shall be in addition to any liability which Client may otherwise have to Advisor, and shall include in addition to Advisor, Advisor's affiliated entities, directors, officers, employees, agents and controlling persons of Advisor within the meaning of the federal securities laws. All references to Advisor in these indemnification and hold harmless provisions shall be understood to include any of the foregoing.

D. Counsel and Notification of Client

If any claim, action, proceeding, or investigation is commenced as to which Advisor proposes to demand such indemnification and to be held harmless, it will notify Client promptly upon becoming aware of any such action, proceeding or investigation. Advisor will have the right to retain counsel of its own choice to represent it, and Client will pay the reasonable fees and expenses of such counsel; and such counsel shall to its fullest extent consistent with its professional responsibilities cooperate with Client and any counsel designated by it. Client will only be liable for any settlement of any claim against Advisor made with Client's written consent, which consent shall not be unreasonably withheld.

- E.** In the event of litigation between Client and Advisor, the prevailing party shall be entitled to recover its reasonable fees and expenses, including attorney's fees.

XI. MISCELLANEOUS PROVISIONS

A. Entire Agreement

This Agreement constitutes the entire understanding and Agreement between the parties hereto with respect to the subject matter hereof and may not be amended, changed, modified, or supplemented, except in writing signed by each party, for which purposes an exchange of electronic mail or faxes clearly indicating mutual agreement shall be acceptable.

B. Assignment

Neither party shall sell, assign, convey or otherwise transfer this Agreement, or any of the rights, interests or obligations hereunder to any other party without the prior written consent of the other party, except that Advisor may assign this Agreement to a corporation in which Edward T. Gavin is a shareholder.

C. Notices

Any written notice required to be given hereunder shall be validly given if delivered personally or sent by registered or certified mail, postage prepaid, to the address of the party set forth in the opening paragraph of this Agreement, or to such other address as one party shall provide in writing to the other in accordance with this paragraph.

D. Interpretation and Choice of Forum

The validity, interpretation, and enforcement of this Agreement shall be governed by the internal laws of the State of Delaware applicable to Agreements made and to be fully performed therein. The parties agree that any controversy arising hereunder shall be brought in the Delaware Court of Chancery, which the parties agree is an appropriate and convenient forum.

E. Waiver

The waiver of any breach of any provision of this Agreement by a party to this Agreement shall not operate or be construed as a waiver of any subsequent breach by such party.

F. Separability of Provisions

If any provision of this Agreement shall be or become illegal or unenforceable in whole or in part for any reason whatsoever, the remaining provisions shall nevertheless be deemed, valid, binding and subsisting.

G. Headings and Paragraphs

The headings and paragraphs of this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

H. Bankruptcy

Client will make best efforts to seek an order of the bankruptcy court approving this contract without change. In addition, such order, by attaching this Agreement thereto, shall seek to ensure that all payments to Advisor are final and unappealable by Client as Debtor, any Official Committee of Unsecured Creditors, the U.S. Trustee and any-Chapter 11 Trustee.

I. Employment

If during the term of this Agreement or any further extensions or modifications of this Agreement, or for a period of one year thereafter, Client offers, or any of Advisor's personnel accepts, any employment position or contract with Client, Advisor shall be deemed to have earned a reasonable commission in connection therewith, which shall be calculated at a rate of 30% of the annualized compensation in the event of employment or of the annualized contract amount in the event of a contract, which shall

be payable immediately upon presentation of Advisor's invoice therefor.

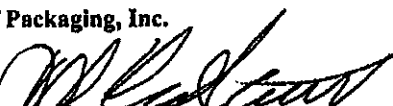
XII. DISCLOSURE

- A. Advisor hereby discloses that Advisor has many relationships in the business community involving lenders, law firms, accounting firms, consulting firms, independent consultant contractors, and others. These relationships may include Advisor in the past or currently: receiving client referrals, providing client referrals, providing or receiving professional services, employing employees or contractors or serving as a contractor, and other types of relationships. These relationships may include lenders, professionals or others that have a connection with Client and/or Advisor's services provided under this Agreement. Such relationships are expected to continue and new ones may begin during the provision of services hereunder. Advisor represents that its independence in providing services hereunder is not compromised by such relationships, and is willing to confer with Client at Client's request concerning the specific nature of any such relationships Advisor may have.
- B. Advisor hereby further discloses that Advisor operates an independent, affiliate entity, NHB Capital Partners, which provides private investment capital in concert with an institutional partner. While Advisor has extraordinary access to NHB Capital Partners, Client should not infer from this relationship that any investment in Client would be scrutinized in a manner materially different from that of any other investment in or with a non-client. NHB Capital Partners has its own fiduciary responsibilities to its investors and all transactions should be considered "arm's length." Furthermore, should Client, its lenders or investors, perceive an inherent conflict of interest, because of the relationship with NHB Capital Partners, then Advisor shall, upon written request, prohibit NHB Capital Partners from participating in any Client transaction.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Gulf Packaging, Inc.

By:


Jeff Cutshall
President

Gavin/Solmonese LLC

By:



Edward T. Gavin, CTP
Managing Director

Exhibit A

Board Members of Gulf Packaging, Inc.:

EXHIBIT B

Gavin Declaration

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

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

DECLARATION OF EDWARD T. GAVIN, CTP IN SUPPORT OF THE DEBTOR'S APPLICATION TO (I) RETAIN GAVIN/SOLMONESE LLC TO (A) PROVIDE CHIEF RESTRUCTURING OFFICER AND CERTAIN ADDITIONAL PERSONNEL, AND (B) DESIGNATE EDWARD T. GAVIN, CTP AS CHIEF RESTRUCTURING OFFICER EFFECTIVE AS OF THE PETITION DATE, AND (II) GRANTING RELATED RELIEF

Edward T. Gavin, CTP declares under penalty of perjury, pursuant to 28 U.S.C. § 1746, as follows:

1. I am the Managing Director and Founding Partner of Gavin/Solmonese LLC ("G/S" or the "Firm"). I am duly authorized to execute this declaration on behalf of G/S, and in support of the Application (the "Application") filed by Gulf Packaging, Inc. (the "Debtor," "GPI" or the "Company"), the above-captioned debtor and debtor in possession to (I) Retain G/S to (A) Provide the Debtor with a CRO and Certain Additional G/S Personnel, and (B) Designate Edward T. Gavin, CTP as CRO Effective as of the Petition Date, and (II) Granting Related Relief.² I submit this declaration in support of the Application and to make necessary disclosures. Unless otherwise stated in this declaration, I have personal knowledge of the facts set forth herein.

THE FIRM'S QUALIFICATIONS

2. The Firm provides a full range of financial advisory, corporate restructuring, and fiduciary services to clients across the United States. The Firm's professionals have assisted,

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

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

advised, and provided strategic advice to debtors, creditors, bondholders, investors, and other entities in numerous chapter 11 cases of similar size and complexity to the Debtor's chapter 11 case. Examples of the Firm's recent engagements as restructuring or crisis managers include the following: a recent out-of-court turnaround and restructuring of a steel fabricator in the Midwestern U. S.; Debtor's restructuring advisor in *Compressus Holdings* (Bankr. D. Del), *Nubisio Inc.* (Bankr D. Del) and *Ambient Corporation* (Bankr. D. Del), among numerous other bankruptcy engagements for Official or Unofficial committees or appointments as Trustee.

3. Further, as a result of the prepetition work performed by the Firm on behalf of the Debtor, the Firm acquired significant knowledge of the Debtor and its business, and is now intimately familiar with the Debtor's financial affairs, operations and related matters. Likewise, the Firm's professionals have worked closely with the Debtor's management and its other advisors. Accordingly, the Firm has experience, expertise, and specific relevant knowledge regarding the Debtor that will assist it in providing effective and efficient services in this chapter 11 case.

4. If the Application is approved, G/S Personnel will work closely with the Debtor's management and other professionals throughout the chapter 11 process to maximize value, and to ensure there is no duplication of services. By virtue of the expertise of its restructuring personnel, and its prepetition representation of the Debtor, the Firm is uniquely well-qualified to provide services to and represent the Debtor's interests in this chapter 11 case.

SERVICES TO BE PROVIDED

5. In addition to the ordinary course duties of a CRO, the Engagement Personnel may work with the Debtor to do the following:

- (a) Day to day operational and/or financial management of the Debtor's chapter 11 proceeding;

- (b) Negotiation and execution of financing relationships, including preparation of a situational analysis/business plan for submission to potential lenders;
- (c) Negotiation of and amendments to contracts, including rejection or assumption of executory contracts and real property leases;
- (d) The compromise of accounts payable and receivable and of notes payable and receivable;
- (e) Advise the Debtor's management as to the hiring and discharge of employees;
- (f) Direct communication with the Debtor's lenders, vendors, customers and employees and other constituencies; and
- (g) Provide assistant CRO staff, as necessary, to provide interim accounting, information technology, operations or other capabilities or consulting expertise as required to facilitate the Debtor's efficient progress through the bankruptcy process.

PROFESSIONAL COMPENSATION

6. In consideration of the services to be provided by the Firm, the Debtor has, in addition to the indemnification provisions, agreed to the fee and expense structure set forth in the Management Agreement. The current hourly billing rates, based on the position of the particular Engagement Personnel are subject to the following ranges:

| | |
|--------------------------------|----------------|
| Principals | \$400 to \$650 |
| Managing Directors | \$300 to \$650 |
| Senior Consultants & Directors | \$225 to \$350 |
| Other professional staff | \$125 to \$250 |

The Firm may adjust its rates from time to time with reasonable advance notice to the Debtor.

7. In addition to the hourly fees described above, in the event that the Debtor requests that the Firm seek additional and/or replacement financing for the Debtor, the Firm will be entitled to a Success Fee. The Success Fee will accrue at the closing of each financing that occurs within one year from the execution of the Management Agreement and will be calculated

as follows: five percent (5%) of the total financing facilities for senior secured debt, plus five percent (5%) of the total financing facilities for all other debtor, plus five percent (5%) of the total financing facilities for equity and/or forgiveness or assumption of debt, if any. In the event that the Success Fee is earned by G/S, G/S will apply to the Court for approval of such fees at the conclusion of this chapter 11 case, and such application will be subject to a reasonableness standard under section 330 of the Bankruptcy Code.

8. The Fee and Expense Structure is consistent with the Firm's normal and customary billing practices for comparably sized and complex cases and transactions, both in and out of court. The Management Agreement was negotiated at arm's length and in good faith, and the Firm believes that the Fee and Expense Structure is both reasonable and consistent with the market for such services.

9. In light of the foregoing, and given the issues that the Firm may be required to address in the performance of its services, the Firm believes that the Fee and Expense Structure is fair, reasonable, and market-based.

10. Upon Court approval of the relief requested in the Application, the Firm will be retained to provide the Debtor with the necessary Engagement Personnel, and Mr. Gavin will be designated as the Debtor's CRO pursuant to sections 363 and 105(a) of the Bankruptcy Code. Because the Firm is not being employed as a professional under section 327 of the Bankruptcy Code, the Debtor has requested, and the Firm requests, that the Firm not be required to submit fee applications pursuant to sections 330 and 331 of the Bankruptcy Code. Instead, the Firm will submit monthly invoices to the Debtor, notwithstanding any language to the contrary in the Management Agreement, commencing with the post-petition period ending April 30, 2015. By the Application, the Debtor seeks to pay these invoices in the ordinary course of its business. In addition, the Firm will file with the Court and serve on counsel to FCC, the U.S. Trustee and any

official committee appointed in this chapter 11 case (collectively, the “Notice Parties”) a quarterly report of compensation earned and expenses incurred (the “Compensation Report”) summarizing the services provided, identifying compensation earned by each executive officer and staff employee, and itemizing expenses incurred. The Notice Parties shall have twenty (20) days after the date on which each Compensation Report is served upon them to object. Compensation and expenses identified in the Firm’s Compensation Reports will be subject to review by the Court in the event an objection is filed. The Firm will file its first quarterly Compensation Report by July 20, 2015.

INDEMNIFICATION

11. As more fully described in the Management Agreement, the Debtor has agreed to indemnify and hold harmless the Firm and the Engagement Personnel, from any and all losses, claims, or liabilities, including reasonable legal fees and expenses, based upon or arising out of the Firm’s performance of services in this chapter 11 case, except where any claims or losses are due to willful or reckless misconduct, or gross negligence, as determined by a final judgment from which all appeals have been exhausted.

THE FIRM’S DISINTERESTEDNESS

12. In connection with its proposed retention by the Debtor in this chapter 11 case, the Firm undertook a lengthy review to determine whether it had any conflicts or other relationships that might cause it not to be disinterested or to hold or represent an interest adverse to the Debtor. Specifically, the Firm obtained from the Debtor and/or its representatives the names of individuals and entities that may be parties in interest in this chapter 11 case (“Potential Parties in Interest”). Such parties are listed on Schedule 1 attached hereto. A search was performed for connections to the Potential Parties in Interest, and based on that review, the Firm represents that, to the best of its knowledge, other than as set forth on Schedule 2, the Firm

knows of no fact or situation that would represent a conflict of interest for the Firm with regard to the Debtor.

13. The Firm and the G/S Personnel are advisors and crisis managers providing services and advice in many areas, including restructuring and distressed debt. As part of its diverse practice, the Firm appears in numerous cases, proceedings, and transactions involving many different attorneys, accountants, investment bankers, and financial consultants, some of whom may represent claimants and parties in interest in this chapter 11 case. Further, the Firm may have in the past been, currently be, and may in the future be represented by several attorneys and law firms, some of whom may be involved in this chapter 11 case. In addition, the Firm has been in the past, is currently, and likely will be in the future, engaged in matters unrelated to the Debtor or this chapter 11 case in which it works with or against other professionals involved in this case. Moreover, the Firm might have referred work to other professionals who are retained in this chapter 11 case. Likewise, certain such professionals who are retained in this chapter 11 case might have referred work to the Firm. To the best of my knowledge, information, and belief, insofar as I have been able to ascertain after reasonable inquiry, none of these business relations constitute interests adverse to the Debtor.

14. This paragraph and the following five (5) paragraphs, have no applicability to this case or this retention, but is simply a disclosure made for purposes of completeness. G/S, through its predecessor firm NHB Advisors, has an affiliated separate entity, NHB Capital Partners, LP ("NHBCP"). NHBCP is an affiliate that sources investment capital to be invested as debt or equity in distressed companies in North America, and sources investment and/or lending opportunities for NHBCP's Limited Partner(s) (the "LP" or "LPs"). NHBCP earns a transaction fee for each funded transaction. The amount of the transaction fee is a fixed percentage of the total funding transaction amount.

15. As of the date of this Declaration, NHBCP currently has a single LP. NHBCP may, in the future, have different or additional LPs. At no time will NHBCP LPs be affiliates of G/S. They are independent unrelated entities with their own fiduciary obligations to their own investors. G/S is not an investor in any LPs.

16. Due diligence responsibilities related to potential transactions involving NHBCP transactions are those of the LPs and neither G/S, nor its employees or associates, are involved in such transactions, unless engaged separately by the LPs on a basis unrelated to any existing G/S engagements.

17. G/S has no requirement to show opportunities to NHBCP in cases where G/S is engaged by a party in interest in a case filed under chapter 11 of the Bankruptcy Code, or in any matter that is court-supervised (such as an assignment for the benefit of creditors, receivership or other court-supervised disposition of assets). Therefore, NHBCP will not participate in this case.

18. In cases in which G/S has been retained with Bankruptcy Court approval, G/S may show opportunities for investment, issuance of debt or purchase of assets to entities that may be LPs. Such transactions are unrelated to NHBCP. Therefore, G/S may, in the course of informing potentially interested parties of the opportunity to acquire some or all of the Debtor's assets, show this opportunity to one or more LPs or to parties who are, without G/S's knowledge, investors in the LPs. G/S has no economic interest in the investment activities of NHBCP LPs in transactions that are not initiated by NHBCP. Thus, a LP executing an acquisition that is not sourced by NHBCP results in no economic benefit to NHBCP or G/S.

19. G/S's standard agreements (which are utilized only in non-bankruptcy engagements or in those bankruptcy cases where G/S is engaged by a debtor in possession) include a disclosure of NHBCP and provide both G/S's clients and the lenders to G/S's clients with "opt-in" and "opt-out" rights with respect to NHBCP consideration of any financing,

investment or sale opportunities that might arise with respect to that client. At all times, NHBCP and G/S adhere strictly to the Turnaround Management Association's Code of Ethics and, in particular with respect to NHBCP, Ethical Standard 2.7 (Ownership)³.

20. To the best of my knowledge, information and belief, insofar as I have been able to ascertain after reasonable inquiry, neither I nor any member of the Firm engagement team: (a) have any connection with the U.S. Trustee, or any employee in the Office of the U.S. Trustee; or (b) are related or connected to any United States Bankruptcy Judge for the Northern District of Illinois, or any of the District Judges for the Northern District of Illinois who handle bankruptcy cases.

21. To the best of my knowledge, information, and belief, insofar as I have been able to ascertain after reasonable inquiry, the Firm has not been retained to assist any entity or person other than the Debtor on matters relating to, or in direct connection with, this chapter 11 case.

22. In advance of filing, the Firm received an aggregate payment of \$50,000.00 to be applied to any outstanding invoices prior to the filing of the Debtor's petition, with the remainder to be held as a retainer for post-petition services and expense reimbursement. The Firm has been paid \$187,972.55 for all services rendered, and expenses incurred, through the Petition Date, leaving a retainer balance of \$45,820.12.

23. In accordance with section 504 of the Bankruptcy Code and Bankruptcy Rule 2016, neither I nor the Firm have entered into any agreements, express or implied, with any other

³ E.S. 2.7 Ownership: (A) TMA recognizes the difficulties involved with respect to equity ownership of a troubled company client; (B) If a member owns or obtains a direct or indirect financial interest in a client, such interest must be disclosed to creditors and stockholders of the client on a timely basis, must be negotiated prior to the assignment and additional equity ownership should not be negotiated during the course of an engagement; (C) If an equity interest in a troubled business client results in the member gaining control of the client, the conditions and circumstances whereby the interest is obtained should be set forth in writing and agreed to prior to commencement of the engagement. Equity interests held by parties affiliated with the member shall be aggregated with the member's direct interest to determine whether or not the member would control the client. The member should insist that the client obtain legal counsel to represent the client with respect to negotiating and documenting the equity interest to be obtained by the member.


party in interest, including the Debtor, any creditor, or any attorney for such party in interest in this chapter 11 case (a) for the purpose of sharing or fixing fees or other compensation to be paid to any such party in interest or its attorneys for services rendered in connection therewith, (b) for payment of such compensation from the assets of the estate in excess of the compensation allowed by the Court pursuant to the applicable provisions of the Bankruptcy Code, or (c) for payment of compensation in connection with this chapter 11 case other than in accordance with the applicable provisions of the Bankruptcy Code.

24. Accordingly, except as otherwise set forth herein, insofar as I have been able to determine, neither the Firm, nor any employee of the Firm who will work on the engagement holds or represents any interest adverse to the Debtor or its estate.

25. If the Firm discovers additional information that requires disclosure, the Firm will promptly file a supplemental disclosure with the Court as required by Bankruptcy Rule 2014.

26. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed this 29th day of April, 2015



Edward T. Gavin, CTP

Schedule 1

List of Entities Searched

The Debtors

Gulf Packaging, Inc.

Debtors' Agents/Affiliates and their Ds and Os

Gulf Systems, Inc.
Gulf-Great Lakes Packaging Corporation
Gulf-Arizona Packaging LLC
Florida Gulf Properties LLC
Gulf Packaging – Sacramento LLC
Gulf-Pacific Packaging Corporation
Carolina-Gulf Packaging LLC
Paul Albert
Paul Corley
Carl Fleck
Bob McCormick
Charles Foster

Debtors' Directors & Officers

Joseph Fleck
Maggie Fleck
Carol Cutshall
Jeffrey Cutshall
William Cutshall
Arman Sarkisian (immediately former CEO)
Robert Lange

Counsel to the Flecks

Adelman & Gettleman, Ltd.

Debtors' Proposed Chief Restructuring Officer

Gavin/Solmonese
Edward T. Gavin, CTP

Debtors' Proposed Counsel

Gray Reed & McGraw, P.C.
FrankGecker LLP

Office of the U.S. Trustee for Region 11 and Chicago
Regional Office

Patrick Layng
Constantine Harvalis
Kimberly Bacher
Patricia Brasier
Joanne W. Burne
Denise Ann Delaurent
Michelle M. Engel
Sandra George-Booker

Office of the U.S. Trustee for Region 11 and Chicago
Regional Office (cont'd)

Kathryn M. Gleason
David Gucwa
Cameron Gulden
Julie Hearn
Pamela Hillman
Benita Jones
Maria Kaplan
Keith E. Manikowski
Laura McCabe
Rita Mierzwa
Jeremiah Nelson
Kathryn O'Kelly
Patricia A. Parker
M. Gretchen Silver
Jeffrey Snell
Roman L. Sukley
Thomas Thornton
Jennifer Toth
Robert J. Wakefield
Connie Jean Warner
Shaun Washington
Stephen G. Wolfe
Marie Yapan

20 Largest Unsecured Creditors

Acme
AEP Industries
Inteplast Group, Ltd.
Maillis Strapping Systems
Intertape Polymer Corporation
Berry Plastics Corporation
Polychem Corporation
Sigma Stretch Film
Dynaric, Inc.
Itistrap
XSYS, Inc.
Interwrap Corp.
GTA Tapes & Adhesives Inc.
Stacktight
Laminations Corporation
ARS Development
Strapack, Inc.
Vibac Canada Inc.
Bemis Clysar, Inc.
Leicatex Ltd.

Secured Lenders

FCC, LLC d/b/a First Capital
Merchants and Manufacturers Bank

Schedule 2

List of Entities Searched With Whom the Firm Has A Connection

List of Connections

1. Gavin/Solmonese has, in the past, either directly or through predecessors, worked in the same cases as, and may currently work in the same cases as, some of the professional firms that will be involved in this case, including those set forth above, in connection with matters wholly unrelated to this chapter 11 case. To that end, I was retained in or about July 2014 by the law firm of Gray Reed & McGraw, P.C. to act as an expert witness in *In re Eastern 1996D Limited Partnership, et al.*, No. 13-34773-HDH-11 (Bankr. N.D. Tex.). That engagement concluded in the summer of 2014.

2. As of April 27, 2014, I serve as Vice President – Development of the American Bankruptcy Institute, a position that requires that I lead efforts to raise money from many, if not all, of the professionals engaged in this matter (among many others) to support the American Bankruptcy Institute's Anthony H.N. Schnellling Endowment Fund, which funds go towards research and education that enhance and further develop the restructuring profession. Jason S. Brookner, one of the Debtor's lawyers, is a co-chair for the Endowment's Texas & Southwest Region.

3. I have been informed that one of the Debtor's creditors, which remains unnamed, has retained the law firm of Shaw Fishman Glantz & Towbin LLC as its counsel. Brian Shaw is the immediate past president of the American Bankruptcy Institute, with whom I have both a professional and personal relationship. I have been involved in transactions with Brian, as well as other attorneys at his law firm, and I am presently a retained professional by a client of Shaw Fishman Glantz & Towbin in a matter wholly unrelated to this case.

EXHIBIT C

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 (I) AUTHORIZING THE DEBTOR TO (A) RETAIN GAVIN/SOLMONESE
LLC TO PROVIDE CHIEF RESTRUCTURING OFFICER AND CERTAIN
ADDITIONAL PERSONNEL, AND (B) DESIGNATE EDWARD T. GAVIN, CTP AS
CHIEF RESTRUCTURING OFFICER EFFECTIVE AS OF THE PETITION DATE,
AND (II) GRANTING RELATED RELIEF**

Upon the Application to (I) Retain Gavin/Solmonese LLC to (A) Provide Chief Restructuring Officer and Certain Additional Personnel, and (B) Designate Edward T. Gavin, CTP as Chief Restructuring Officer Effective as of the Petition Date, and (II) Granting Related Relief (the "Application"), filed by Gulf Packaging, Inc., the above-captioned debtor and debtor in possession (the "Debtor," "GPI" or the "Company");² and the Court having reviewed the Application and the Gavin 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 other or further notice is required; and upon the

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

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

hearing on the Application conducted on April __, 2015 and the record made thereat; and after due deliberation and good cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Application is approved as set forth herein.
2. The Debtor is authorized to retain G/S to provide the Debtor with a CRO and certain additional G/S Personnel to assist the CRO and to designate Edward T. Gavin, CTP as the Debtor's CRO effective as of the Petition Date. The Debtor is authorized to retain G/S on the terms set forth in the Application and Management Agreement, attached as **Exhibit A** to the Application, subject to the terms and provisions of this Order, notwithstanding anything contrary in the Application and Management Agreement.
3. G/S and its affiliates will not act in any other capacity (for example, and without limitation, as a financial advisor, claims agent/claims administrator, or investor/acquirer) in connection with the above-captioned case.
4. G/S shall not be required to submit fee applications pursuant to sections 330 and 331 of the Bankruptcy Code but instead, shall submit monthly invoices to the Debtor, and the Debtor is hereby authorized to pay, in the ordinary course of its business, all amounts invoiced by G/S for fees and expenses incurred in connection with G/S's retention.
5. G/S will file with this Court, with copies to the Notice Parties, quarterly reports of compensation earned and expenses incurred on the engagement, commencing as of July 20, 2015. Compensation Reports will summarize services provided, identify compensation earned by each executive officer and staff employee, and itemize expenses incurred. The Notice Parties and parties-in-interest in this chapter 11 case will have the right to object to fees paid and expenses reimbursed to G/S within twenty (20) days after G/S files such reports. Compensation and

expenses identified in G/S's Compensation Reports will be subject to review by this Court in the event an objection is filed.

6. No principal, employee, or independent contractor of G/S will serve as a director of the Debtor during the pendency of the above-captioned case.

7. G/S has a continuing obligation to disclose any and all facts that may have a bearing on whether G/S, its affiliates, and/or any individuals working on the engagement have any interest materially adverse to the interest of the Debtor's estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtor, or for any other reason.

8. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order, and will have exclusive jurisdiction over G/S's retention during the pendency of the chapter 11 case.

9. To the extent that there is any inconsistency between this Order, the Management Agreement, the Gavin Declaration, and/or the Application, the terms of this Order shall govern.

10. The Debtor is permitted to indemnify G/S and the CRO on the terms provided in the Management Agreement, and any claim for indemnification shall be paid only upon approval by this Court.

11. 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.

12. The terms and conditions of this Order will be immediately effective and enforceable upon its entry, and the relief granted herein will be binding upon any chapter 11 trustee appointed in this chapter 11 case, or upon any chapter 7 trustee appointed in the event of a subsequent conversion of this chapter 11 case to a case under chapter 7.

13. Notwithstanding Bankruptcy Rule 6004(h) the terms and conditions of this Order are immediately effective and enforceable upon its entry.

14. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Application.

Dated: _____, 2015
Chicago, Illinois

UNITED STATES BANKRUPTCY JUDGE