

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

In re:) Chapter 11
)
GULF PACKAGING, INC.,) Case No. 15-15249
)
Debtor.) Hon. Pamela S. Hollis
)
) Hearing Date: June 2, 2015 at 10:30 a.m.
)

NOTICE OF MOTION

PLEASE TAKE NOTICE that on June 2, 2015 at 10:30 a.m., the undersigned shall appear before the Honorable Pamela S. Hollis in Courtroom 644, or whomever may be sitting in her place and stead, at the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, 219 S. Dearborn Street, Chicago, Illinois and will then and there present the *Application of the Official Committee of Unsecured Creditors to Employ Freeborn & Peters LLP as Counsel* a copy of which is attached hereto and herewith served upon you.

Dated: May 29, 2015

**OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF GULF PACKAGING, INC.**

By: /s/ Shelly A. DeRousse
One of Its Proposed Attorneys

Richard S. Lauter
Shelly A. DeRousse
Devon J. Eggert
Elizabeth L. Janczak
FREEBORN & PETERS LLP
311 South Wacker Drive, Suite 3000
Chicago, Illinois 60606-6677
Telephone: 312.360.6000
Facsimile: 312.360.6520

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CERTIFICATE OF SERVICE

I, Shelly A DeRousse, an attorney, hereby certify that on May 29, 2015, I caused a true and correct copy of the foregoing *Notice of Motion and Application of the Official Committee of Unsecured Creditors to Employ Freeborn & Peters LLP as Counsel*, to be filed with the Court and served upon the following parties by the manner listed.

/s/ Shelly A. DeRousse

CM/ECF Service List

Zarine L. Alam	zarine.alam@goldbergekohn.com
Michael W. Bishop	mbishop@grayreed.com
Jason S. Brookner	jbrookner@grayreed.com
Erich S. Buck	ebuck@ag-ltd.com
David J. Fischer	dfischer@lockelord.com
Joseph D. Frank	jfrank@fgllp.com
Chad H. Gettleman	cgettleman@ag-ltd.com
Stevem A. Ginther	ndilecf@dor.mo.gov
John W. Guzzardo	jguzzardo@shawfishman.com
Dimitri G. Karcazes	dimitri.karcazes@goldbergekohn.com
Jeremy C. Kleinman	jkleinman@fgllp.com
Tyler Steven Mertes	tyler.mertes@troutmansanders.com
Mark L. Radtke	mradtke@shawfishman.com
Brian Raynor	braynor@lockelord.com
Peter J. Roberts	proberts@shawfishman.com
Gregg R. Smith	gregg@greggsmithlaw.com

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APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO EMPLOY FREEBORN & PETERS LLP AS COUNSEL

The Official Committee of Unsecured Creditors (the “Committee”) of Gulf Packaging, Inc. (the “Debtor”), by and through its undersigned proposed counsel, submits this application (the “Application”) pursuant to sections 328(a) and 1103 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) authorizing the Committee to retain and employ the law firm of Freeborn & Peters LLP (“Freeborn”) as counsel for the Committee, effective as of May 11, 2015 (the “Retention Date”). In support of this Application, the Committee submits the Affidavit of Shelly A. DeRousse (the “DeRousse Affidavit”), which is attached hereto as Exhibit A, and further states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over the Application pursuant to 28 U.S.C. § 1334.
2. Venue for this chapter 11 case and this Application is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This Application constitutes a core proceeding pursuant to 28 U.S.C. § 157(b).

BACKGROUND

3. On April 29, 2015, the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Illinois (the “*Court*”).

4. The Debtor is operating its business and managing its property as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. No trustee or examiner has been appointed in this chapter 11 case.

6. On May 11, 2015, the Office of the United States Trustee filed a notice of appointment of the Committee as an official committee to represent the interests of unsecured creditors of the Debtor pursuant to section 1102 of the Bankruptcy Code (“*Committee Appointment Date*”).

7. The Committee is comprised of the following unsecured creditors:

Members	Representative
Signode Industrial Group, LLC	Ramunas Venclovas, Chairperson
AEP Industries, Inc.	Robert Novotny
Maillis Strapping Systems, USA, Inc.	Mark Belfore
Intertape Polymer Corp.	Judy McHenry
Berry Plastics Corporation	Shelly Martin
Sigma Stretch Film	Vito Gentile
Stacktight, LLC	Alexander LaRosa, Vice Chairperson
Strapack, Inc.	Asami Cillo
Leicatex Limited	Jim Schornagel

RELIEF REQUESTED

8. By this Application, the Committee seeks to employ and retain Freeborn as its counsel, effective as of the Retention Date. Accordingly, the Committee respectfully requests the entry of an order pursuant to sections 328(a) and 1103(a) of the Bankruptcy Code and Bankruptcy Rule 2014(a), authorizing the Committee to employ and retain Freeborn as its attorneys to perform legal services that will be necessary during this case.

9. Pursuant to section 328(a) of the Bankruptcy Code, the Committee requests that the Court approve the retention of Freeborn on the terms and conditions set forth herein and in the DeRousse Affidavit, which, *inter alia*, provides that Freeborn will be compensated in accordance with the hourly rates agreed upon between Freeborn and the Committee and in accordance with Freeborn's normal reimbursement policies.

BASIS FOR RELIEF REQUESTED

10. The Committee has selected Freeborn as its counsel because of the firm's extensive experience and knowledge in the fields of corporate reorganization and bankruptcy law. Additionally, Freeborn is a law firm with an extremely broad-based practice including substantial expertise in the many areas of the law that may arise in this case.

SERVICES TO BE RENDERED

11. The Committee contemplates that Freeborn will provide a full range of legal services to the Committee in the course of this case, including:

- a. Advising the Committee on all legal issues as they arise;
- b. Advising the Committee on all motions and pleadings filed by the Debtor and other parties-in-interest and responding to the same;
- c. Representing and advising the Committee regarding the terms of any sale of assets or plan of reorganization or liquidation and assisting the Committee in negotiations with the Debtor and other parties;

- d. Investigating the Debtor's assets and pre-bankruptcy conduct;
- e. Analyzing the perfection and priority of the liens of the Debtor's secured creditors;
- f. Preparing, on behalf of the Committee, all necessary motions, applications, pleadings, reports, responses, objections, and other papers;
- g. Representing and advising the Committee in all proceedings in this case;
- h. Assisting and advising the Committee in its administration; and
- i. Providing such other services as are customarily provided by counsel to a creditors' committee in cases of this kind.

PROPOSED COMPENSATION

12. Pursuant to section 328(a) of the Bankruptcy Code, the Court may approve Freeborn's retention on any reasonable terms. The Committee submits that the most reasonable terms and conditions are those agreed upon by Freeborn and the Committee, which are substantially similar to those entered into between Freeborn and other clients on a daily basis in a competitive market for legal services. Subject to the Court's approval, Freeborn will charge for its legal services on an hourly basis in accordance with its standard billing procedures. These rates will range from \$305 per hour for new associates to \$845 per hour for senior partners. Paraprofessional services will range from \$225 per hour to \$280 per hour.

13. The hourly rates for the Freeborn professionals presently expected to have primary responsibility for this case are as follows: (i) Richard S. Lauter (Partner) - \$655/hour; (ii) Shelly A. DeRousse (Partner) - \$480/hour; (iii) Devon J. Eggert (Partner) - \$410/hour; and (iv) Elizabeth L. Janczak (Associate) - \$325/hour. In addition, from time to time, it may be necessary for other Freeborn professionals to provide services to the Committee. In all appropriate circumstances, Freeborn will employ the services of junior professionals in order to minimize administrative expenses to the estate.

14. The Committee has also agreed to reimburse Freeborn, subject to the Court's approval, for all actual out-of-pocket expenses incurred by Freeborn on the Committee's behalf, such as filing fees, document reproduction, conference telephone and telecopier charges, mail and express mail charges, travel expenses, overnight courier expenses, computer research, expenses for "working meals," transcription costs, and other disbursements. Freeborn will charge the Committee for these expenses in a manner and at rates consistent with charges made generally to Freeborn's other clients. Freeborn will make every effort to minimize expenses in this case.

15. Freeborn will maintain detailed, contemporaneous records of time and any actual and necessary expenses incurred in connection with rendering legal services described above by category and nature of the services rendered.

16. The Committee understands that Freeborn intends to apply to the Court for compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, further orders of this Court, and the guidelines established by the Office of the United States Trustee for all services performed and expenses incurred on or after the Retention Date.

17. The Committee requests that all legal fees and related costs incurred by the Committee on account of services rendered by Freeborn in this case be paid as administrative expenses of the Debtor's estate in accordance with the Bankruptcy Code and applicable orders entered in this case.

DISINTERESTEDNESS

18. To the best of the Committee's knowledge, and except as disclosed in the DeRousse Affidavit, Freeborn does not hold or represent any interest adverse to the Committee

or the creditors of the Debtor's estate. Freeborn, however, has represented or may currently represent several of the Debtor's creditors or parties-in-interest in connection with matters unrelated to this case.

19. Freeborn conducted a computerized "conflicts" database search with respect to the Debtor, the Committee members, the Debtor's top 20 largest unsecured creditors, and certain other parties-in-interest.

20. Other than as described below, insofar as Freeborn has been able to ascertain, other than in connection with this case, Freeborn has no connection (connection being defined as a familial or professional relationship) with the Debtor, its creditors, or any other party-in-interest herein, or their respective attorneys or accountants, or the United States Trustee or any person employed in the Office of the United States Trustee, except as set forth below. Accordingly, Freeborn is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code.

21. Nevertheless, Freeborn states that:

- a. From about November 2008 through April 2009, Shelly A. DeRousse represented the Official Committee of Unsecured Creditors of Proven Methods Seminars, LLC ("*Proven Methods Committee*"), in the bankruptcy case filed by Proven Methods Seminars, LLC as case number 08-30225 in the Bankruptcy Court for the Southern District of Florida. Xsys, Inc. ("*Xsys*") was a member of the Proven Methods Committee. The representative for Xsys on the Proven Methods Committee was Arman Sarkisian. The Debtor disclosed Xsys on the list of its largest 20 creditors in this case. Upon information and belief, Mr. Sarkisian or his wife own Xsys and, upon information and belief, Mr. Sarkisian is the former Chief Executive Officer of the Debtor. Ms. DeRousse has never represented Xsys

or Mr. Sarkisian as her client and has not spoken to Mr. Sarkisian in over 6 years and has never spoken with him about the Debtor or this case.

- b. Richard S. Lauter is a member of the Board of Directors of the American Bankruptcy Institute (the “ABI”). Edward Gavin, the Debtor’s Chief Restructuring Officer, is the Vice President of Development for ABI and Mr. Lauter and Mr. Gavin have worked together in the past related to their various roles in the ABI. Jason Brookner, the Debtor’s counsel, is and has been active in the ABI, by chairing and serving on various committees. Mr. Lauter and Mr. Brookner have worked together in the past related to their various roles in the ABI, including as officers of the ABI Commercial Fraud Committee.

RETROACTIVE RELIEF

22. The Committee requests that this Application be approved retroactive to May 11, 2015 – the Committee Appointment Date and the date the Committee selected Freeborn as its counsel. In proper circumstances, the equitable aspects of bankruptcy proceedings permit the court to retroactively approve the employment of professionals who rendered services for a debtor even absent strict compliance with § 327.” *Gowan v. Lefkas Gen. Partners No. 1017 (In re Lefkas Gen. Partners No. 1017)*, 153 B.R. 804, 808 (N.D. Ill. 1993) (internal quotation omitted). The Committee submits that retroactive approval of Freeborn’s retention is appropriate under the circumstances because of: (1) the short duration of time between the retention of Freeborn and the filing of this Application; and (2) the need for Freeborn’s services immediately after its retention date by the Committee.

NOTICE

23. Pursuant to Bankruptcy Rule 2014(a), notice of a retention application need only be served on the Office of the United States Trustee. *See* 9 Collier on Bankruptcy § 201.02, at 2014-4 (15th ed. Rev. 2003) (“The [retention] application must be filed with the clerk of the court, and in cases other than those under chapter 9, served upon the United States trustee”). Nonetheless, notice of this Application has been sent to: (a) counsel for the Debtor; (b) the U.S. Trustee; (c) counsel to FFC, LLC d/b/a First Capital, the Debtor’s secured lender; and (d) all parties that have filed appearances and requested service of papers in this case.

WHEREFORE, the Committee respectfully requests that the Court: (a) authorize the Committee, pursuant to sections 328(a) and 1103 of the Bankruptcy Code and Bankruptcy Rule 2014, to retain and employ Freeborn in accordance with the terms hereof, retroactive to May 11, 2015; and (b) grant such other and further relief as the Court deems just and proper.

Dated: May 29, 2015

OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF GULF PACKAGING, INC.

By: /s/ Shelly A. DeRousse
One of Its Proposed Attorneys

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Devon J. Eggert
Elizabeth L. Janczak
FREEBORN & PETERS LLP
311 South Wacker Drive, Suite 3000
Chicago, Illinois 60606-6677
Telephone: 312.360.6000
Facsimile: 312.360.6520