

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 (PSH)
)	
Debtor.)	
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GULF PACKAGING, INC.,)	
)	
Plaintiff,)	Adversary No. 15-_____ (PSH)
)	
v.)	
)	
QUALITY TECHNICAL SERVICES and)	
STRAPACK, INC.,)	
)	
Defendants.)	
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COMPLAINT

Gulf Packaging, Inc., the above-captioned debtor and debtor in possession (“GPI” or the “Debtor”), for its complaint against Quality Technical Services (“QTS”) and Strapack, Inc. (“Strapack,” together with QTS, the “Defendants”), alleges as follows:

SUMMARY OF ACTION

1. This action seeks to recover unpaid prepetition receivables owing from the Defendants to GPI aggregating \$183,088.18.

JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the Northern District of Illinois (this “Court” or the “Bankruptcy Court”) has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157(b) and 1334(b) and (e).

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

3. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (B), (E) and (O). To the extent this proceeding is determined to be non-core, the Debtor consents to entry of a final order or judgment by this Court.

4. Venue for this matter is proper in this district pursuant to 28 U.S.C. § 1409.

THE PARTIES

5. GPI is a Texas corporation with its principal place of business in Dolton, Illinois. GPI is the above-captioned chapter 11 debtor, and is operating its business and managing its properties as a debtor in possession. No chapter 11 trustee or examiner has been appointed in the Debtor's chapter 11 case.

6. QTS appears to have its principal place of business in or around El Centro, California. Pursuant to Rule 7004(b)(3) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), QTS may be served with process at 220 South 3rd Street, El Centro, CA 92243, Attention: Jerry Russell, Owner. A copy of this Complaint is also being served on QTS at P.O. Box 1328, El Centro, CA 92244, Attention: Jerry Russell, Owner.

7. Strapack is a Japanese corporation doing business in the United States, with places of business in both Illinois and California. Upon information and belief, QTS may have been purchased by and/or may now be owned by Strapack, a member of the Official Committee of Unsecured Creditors appointed in the Debtor's chapter 11 bankruptcy case. Strapack is a successor to QTS. Pursuant to Bankruptcy Rule 7004(b)(3), Strapack may be served with process through its registered agent for service of process in (i) Illinois, at 1601 E. Voorhees, Danville, IL 61832, Attention: Asami Cillo, as reflected on the Illinois Secretary of State's website, and (ii) California, at 1939 Harrison Street, Suite 920, Oakland, CA 94612, Attention: Eugene Tomine.

FACTUAL ALLEGATIONS

8. On April 29, 2015 (the "Petition Date"), GPI filed a voluntary chapter 11 petition with this Court.

9. As of the Petition Date, QTS owed GPI \$183,088.18, in respect of prepetition purchases of product and inventory from GPI (the "Receivables"). A statement showing the outstanding QTS invoices and amounts is attached hereto as Exhibit A. Despite multiple demands for payment of the Receivables, QTS has ignored and otherwise failed to respond to GPI's demands.

FIRST CAUSE OF ACTION

[Turnover of Property to the Estate Under 11 U.S.C. § 542(a) and (b)]

10. The Debtor realleges and incorporates by reference the allegations of paragraphs 1 through 9, as if fully set forth herein.

11. Pursuant to 11 U.S.C. § 541(a)(1), the Receivables constitute "property of the estate."

12. The Receivables constitute property that the Debtor may use, sell or lease under 11 U.S.C. § 363 and are not of inconsequential value or benefit to the Debtor's estate. The Receivables also constitute a portion of the collateral securing the Debtor's debt to FCC, LLC d/b/a First Capital ("FCC").

13. The Receivables also constitute debts owing from the Defendants to the Debtor which are property of the estate, which are matured and payable to the Debtor.

14. As a result, the Court should order the immediate payment of the Receivables to the Debtor.

SECOND CAUSE OF ACTION
[Violation of the Automatic Stay]

15. The Debtor realleges and incorporates by reference the allegations of paragraphs 1 through 14 as if fully set forth herein.

16. By refusing to pay the Receivables – which are property of the estate – to the Debtor, Defendants are exercising control over property of the estate, in violation of the automatic stay, 11 U.S.C. § 362(a)(5).

17. The remedy for this stay violation is immediate payment of the Receivables to the Debtor.

THIRD CAUSE OF ACTION
[Objection to Claim]

18. The Debtor realleges and incorporates by reference the allegations of paragraphs 1 through 17 as if fully set forth herein.

19. Strapack is a successor to QTS and is responsible for QTS's debts.

20. Strapack is listed in the Debtor's schedules as holding a matured, liquidated, non-contingent general unsecured claim. Strapack may also have filed other or further claims against the estate on or prior to the last date to file claims, which was July 31, 2015.

21. Pursuant to 11 U.S.C. § 502(d), because property is recoverable from Strapack under section 542 of the Bankruptcy Code, any and all claims held by Strapack shall be disallowed unless Strapack has paid the amounts owing to the Debtor, as set forth herein.

22. The Debtor thus requests that any and claims held by Strapack be disallowed, including scheduled and unsecured claims, until such time as Strapack pays the Receivables to the Debtor.

RESERVATION OF RIGHTS

23. The Debtor specifically reserves the right to bring any and all other causes of action that it may maintain against the Defendants including, without limitation, causes of action arising out of the same transactions set forth in this Complaint, to the extent discovery in this action or further investigation by the Debtor reveals the existence of such further causes of action.

WHEREFORE, the Debtor respectfully requests that the Court (i) enter judgment against the Defendants and in favor of the Debtor pursuant to 11 U.S.C. §§ 542 and other applicable bankruptcy and non-bankruptcy law in the amount of the Receivables, together with all other interest, costs and attorneys' fees in respect of such amounts as the Court may award, and (ii) grant such other and further relief as the Court may deem just and proper.

Respectfully submitted this 10th day of August, 2015.

FRANKGECKER LLP

/s/ Joseph D. Frank _____

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