

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

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

**SUMMARY OF FIRST INTERIM APPLICATION OF GRAY REED & MCGRAW, P.C.
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD APRIL 29, 2015 THROUGH JULY 31, 2015**

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|--|--------------------------------------|
| 1. Applicant | Gray Reed & McGraw, P.C. |
| 2. Application Period | April 29, 2015 through July 31, 2015 |
| 3. Date of Order Authorizing Employment | May 26, 2015 [Docket No. 125] |
| 4. Date Services Were Commenced by Applicant | April 29, 2015 |
| 5. Prior Fee Applications | N/A |
| 6. Prior Fees Awarded | N/A |
| 7. Prior Expenses Awarded | N/A |
| 8. Date of Orders Awarding Prior Fees and Expenses | N/A |
| 9. Amount of Prepetition Retainer | \$8,500 |
| 10. Total Fees Requested in This First Interim Application | \$205,928.00 |
| 11. Total Expenses Requested in This First Interim Application | \$6,054.06 |

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

12. Prior Fee Payments Made Pursuant to Compensation Procedures Order (80%)	\$164,742.40
13. Prior Expense Payments Made Pursuant to Compensation Procedures Order (100%)	\$6,054.06
14. Net Fees Requested to Be Paid	\$41,185.60
15. Blended Rate for All Professionals	\$437.21
16. Blended Rate for Attorneys Only	\$458.43

FIRST INTERIM PERIOD

NAME	DATE OF FIRST BAR ADMISSION	BILLABLE RATE	HOURS WORKED	VALUE OF SERVICES RENDERED
SHAREHOLDERS AND MEMBERS				
Jason S. Brookner	1995	585.00	179.0	\$104,715.00
Micheal W. Bishop	1988	475.00	91.3	\$43,367.50
David R. Earhart	1991	475.00	30.4	\$14,440.00
Charles B. Koerth	1992	450.00	1.3	\$585.00
Carol M. Wilhelm	2001	450.00	0.3	\$135.00
Travis S. Crabtree	2000	385.00	21.1	\$8,123.50
SUBTOTAL:			323.4	\$171,366.00
ASSOCIATES				
Jason Luter	2007	375.00	4.5	\$1,687.50
Trinitee G. Green	2012	250.00	73.2	\$18,300.00
Lydia R. Webb	2012	250.00	34.7	\$8,675.00
Benjamin F. Smith	2013	240.00	0.4	\$96.00
Michael A. Lillibridge	2003	235.00	0.7	\$164.50
SUBTOTAL:			113.5	\$28,923.00
PARALEGALS AND OTHER PROFESSIONALS				
Jill F. Wall	n/a	190.00	0.5	\$95.00
Diane R. Trent	n/a	165.00	33.6	\$5,544.00
SUBTOTAL:			34.1	\$5,639.00
TOTAL:			471.0	\$205,928.00

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Debtor.)	
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**FIRST INTERIM APPLICATION OF GRAY REED & McGRAW, P.C.
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD APRIL 29, 2015 THROUGH JULY 31, 2015**

Gray Reed & McGraw, P.C. (“Gray Reed” or “Applicant”), counsel to Gulf Packaging, Inc. the above-captioned debtor and debtor in possession (“GPI” or the “Debtor”), pursuant to section 330 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Court’s Order Establishing Professional Interim Compensation Procedures [Docket No. 129] (the “Compensation Procedures Order”), hereby files its First Interim Application for Allowance of Compensation and Reimbursement of Expenses (the “Application”). By this Application, Gray Reed seeks: (i) allowance of interim compensation of \$205,928.00 for services rendered from April 29, 2015 through July 31, 2015 (the “First Interim Period”); (ii) reimbursement of \$6,054.06 for expenses incurred during the First Interim Period; and (iii) payment of \$41,185.60 representing the outstanding 20% hold back on unpaid fees pursuant to the Compensation Procedures Order.

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

INTRODUCTION

1. On April 29, 2015 (the "Petition Date"), GPI filed its voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). GPI continues to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On May 15, 2015, the Debtor filed its application to retain Gray Reed as counsel, effective as of the Petition Date. *See* Docket No. 90. Gray Reed's retention was approved by Order dated May 26, 2015. *See* Docket No. 125.

3. On May 11, 2015, the Office of the United States Trustee appointed an official committee of unsecured creditors (the "Committee"). No request has been made for the appointment of a trustee or examiner.

4. Gray Reed respectfully submits that, based on the pleadings filed and actions taken on behalf of the Debtor, the results achieved, and the descriptions of the services provided in the contemporaneous time records maintained by Gray Reed which are attached hereto, the services performed and amounts charged by Gray Reed are reasonable, appropriate, and were beneficial to the Debtor and its estate at the time such services were rendered. Gray Reed respectfully requests that this Application be granted as set forth herein.

JURISDICTION

5. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§157 and 1334. Consideration of this Application is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (O). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

6. GPI is a national distributor of packaging equipment and supplies, which sells its product by and through several independent entities (“Affiliates”).² When GPI is combined with the Affiliates, as of the Petition Date, there were over twenty (20) warehousing locations to better serve GPI’s customer base. Additional information about the Debtor, its business and corporate and capital structure is set forth in the *Declaration of Edward T. Gavin, CTP in Support of Chapter 11 Petition and First Day Pleadings* [Docket No. 14] (the “Gavin Declaration”), filed on the Petition Date.

7. As set forth more fully in the Gavin Declaration, GPI is liquidating and winding down its business. The Debtor expects that a proposed chapter 11 plan will be on file with the Court prior to the time this Application comes on for hearing.

SUMMARY OF REQUEST

8. By this Application, Gray Reed seeks (i) approval of \$205,928.00 in fees for services rendered to the Debtor during the First Interim Period, (ii) approval of \$6,054.06 in expenses incurred during the First Interim Period, and (iii) payment of \$41,185.60, representing the 20% hold back on fees incurred during the First Interim Period pursuant to the Compensation Procedures Order. The blended hourly rate for services provided by all Gray Reed professionals was \$437.21 during the First Interim Period. The blended rate for attorneys only was \$458.43 during the First Interim Period.

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

9. Annexed hereto as Exhibits "A" through "C" are Gray Reed's Monthly Fee Statements for April/May, June and July, 2015, respectively. These Exhibits consist of daily itemizations of the services rendered by each Gray Reed professional during the First Interim Period, broken out by specific project category, and reflect the name of the professional rendering the service, the service provided, the professional's billing rate and the amount of time expended on the service recorded in tenths (1/10) of an hour. These Exhibits were compiled from the contemporaneous time records maintained by Gray Reed in the ordinary course of its business. The reflected rates are those customarily charged by Gray Reed to its non-bankruptcy clients.

10. Annexed hereto as Exhibit "D" is a summary chart showing the aggregate amount of time and fees expended during the First Interim Period in connection with each billing category.

11. Annexed hereto as Exhibit "E" is an itemization of the actual and necessary expenses incurred by Gray Reed during the First Interim Period in connection with the rendition of the services described herein. All such expenses are reflected in the books and records of Gray Reed, contemporaneously maintained in the ordinary course of business.

12. Applicant represents that it has no agreement or understanding which may be prohibited by 18 U.S.C. § 155.

SERVICES RENDERED DURING THE FIRST INTERIM PERIOD

13. Gray Reed respectfully submits that its services have provided a benefit to the Debtor and its estate. Set forth below are descriptions of the services rendered by Gray Reed on the Debtor's behalf, on a category-by-category basis, during the First Interim Period.

A. General

14. This category reflects time spent by Gray Reed performing services not easily assignable to a specific project category. Included in this category is time spent engaging in general correspondence and communications with interested parties, case professionals and others. Also included is time spent preparing documents for filing with the Court, working on generalized case issues, and analyzing pleadings filed by other parties in interest.

15. Applicant spent a total of 45.0 hours on tasks in this category during the First Interim Period for fees of \$17,968.50.

B. Case Administration

16. Time spent in this category relates to case administrative matters including, but not limited to, preparing the Debtor's schedules and statements of financial affairs and related administrative matters.

17. Applicant spent a total of 46.1 hours on tasks in this category during the First Interim Period for fees of \$15,197.00.³

C. Professional Retention and Compensation

18. This category reflects time spent by Gray Reed performing services in connection with the retention of case professionals and related matters. These services include, but are not limited to, preparing the Debtor's applications to retain Equity Partners H.G. as the Debtor's investment banker and ASK LLP as the Debtor's special preference counsel, preparing monthly statements of fees and expenses in conformity with the Compensation Procedures Order, reviewing retention applications filed by other parties in interest, and related matters.

³ There is a certain degree of overlap between the Case Administration and General categories.

19. Applicant spent a total of 30.6 hours on tasks in this category during the First Interim Period for fees of \$10,542.50.

D. Business Operations and Employee Issues

20. This category reflects time spent by Gray Reed performing services in connection with employee and related benefits matters, including seeking approval of payment of employee wages and commissions and evaluating and seeking approval to terminate the Debtor's 401(k) plan, as well as handling vendor issues, and correspondence and meetings with the Debtor's board of directors.

21. Applicant spent a total of 63.2 hours on tasks in this category during the First Interim Period for fees of \$28,605.00.

E. Cash Collateral and Related Issues

22. Services performed in this category relate to the Debtor's usage of FCC's cash collateral.

23. Applicant spent a total of 10.6 hours on tasks in this category during the First Interim Period for fees of \$5,418.00.

F. Claims and Related Issues

24. Time in this category relates primarily to addressing reclamation demands filed by creditors, establishing a procedure for determining legitimate reclamation demands, and analyzing potentials claims against the Debtor.

25. Applicant spent a total of 25.0 hours on tasks in this category during the First Interim Period for fees of \$9,107.00.

G. Plan and Disclosure Statement

26. Time in this category relates to preparing the Debtor's plan and disclosure statement, negotiations and meetings with the Committee and the Debtor's secured lender (FCC LLC d/b/a First Capital ("FCC") in connection therewith, and other matters related thereto.

27. Applicant spent a total of 23.3 hours on tasks in this category during the First Interim Period for fees of \$10,233.00.

H. Sales and Related Issues

28. Time in this category relates to matters concerning sales of the Debtor's inventory and property. To begin, the Debtor filed its *Motion to Establish and Approve Procedures for the Sale of Certain Assets* [Docket No. 13] (the "Sales Procedures Motion"), to streamline and reduce fees and expenses in connection with smaller sales of assets. As of the date of this Application, the Debtor has received proceeds of approximately \$2 million in connection with assets sold pursuant to the Sales Procedures Motion. The Debtor also separately sold its assets in Houston and Brownsville, Texas, to a third party for total consideration in excess of \$900,000 (including assuming liabilities). *See* Docket No. 186.

29. In addition, the Debtor filed a motion to approve bidding procedures and a sale of substantially all of its assets [Docket No. 159]. Although the Debtor named a stalking horse bidder for the sale, that bidder backed out at the last minute. As a result, the Debtor conducted an open auction with two bidders on July 29, 2015. After several rounds of bidding, the Debtor determined, with the input of FCC and the Committee, that none of the bids received were sufficient. All bids were, therefore, rejected and the auction was concluded.

30. As a result of the sale of assets and other collections, the Debtor has been able to pay down the prepetition debt owing to FCC by approximately \$4.2 million since the Petition Date.

31. Applicant spent a total of 141.9 hours on tasks in this category during the First Interim Period for fees of \$64,677.00.

I. Attendance at Hearings

32. This category reflects time spent by Gray Reed preparing for, attending, and following up after various hearings on the Debtor's behalf.

33. Applicant spent a total of 69.1 hours on tasks in this category during the First Interim Period for fees of \$36,023.00.

J. General Litigation

34. This category reflects time spent addressing litigation to which the Debtor is a party that existed prior to the Petition Date.

35. Applicant spent a total of 1.3 hours on tasks in this category during the First Interim Period for fees of \$500.50.

K. Tax Matters

36. This category relates to time spent working on various tax issues raised by the Debtor's chapter 11 case.

37. Applicant spent a total of 0.2 hours on tasks in this category during the First Interim Period for fees of \$117.00.

L. Communications with Constituents

38. This category relates to time spent communicating with creditors, the Committee and other constituents regarding various aspects of the Debtor's chapter 11 case, including answering questions about the general status and effect of the case, deadlines, and related matters.

39. Applicant spent a total of 12.5 hours on tasks in this category during the First Interim Period for fees of \$6,474.50.

M. Leases and Contracts

40. This category relates to time spent communicating with the Debtor's landlords and analyzing related lease issues.

41. Applicant spent a total of 12.5 hours on tasks in this category during the First Interim Period for fees of \$6,474.50.

STANDARD FOR ALLOWANCE OF FEES AND EXPENSES

42. Section 330 of the Bankruptcy Code authorizes the Court to award an applicant, as counsel for a trustee, debtor, creditors' committee or other professional employed pursuant to 11 U.S.C. § 327, reasonable compensation for its services and reimbursement of its expenses.

Specifically, section 330 of the Bankruptcy Code states as follows:

(a)(1) After notice to the parties in interest and the United States Trustee and a hearing, and subject to sections 326, 328, and 329, the court may award to a . . . professional person employed under section 327 or 1103 —

(A) reasonable compensation for actual, necessary services rendered by the . . . professional person, or attorney and by any paraprofessional person employed by any such person; and

(B) reimbursement for actual, necessary expenses.

11 U.S.C. § 330(a)(1).

43. Section 330(a)(3) of the Bankruptcy Code provides that in determining the amount of reasonable compensation to be awarded, the Court should consider the nature, extent and value of the services rendered to the estate, taking into account all relevant factors, including:

(A) the time spent on such services;

(B) the rates charges for such services;

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under [the Bankruptcy Code];

- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable, based on the customary compensation charged by comparably skilled practitioners in cases other than cases under [the Bankruptcy Code].

11 U.S.C. § 330(a)(3).

44. As analyzed below, Applicant believes that the elements governing awards of compensation justify the allowance prayed for herein.

(a) Time Spent on Services. As more specifically described in the Application, a total of 471.0 hours of professional services were rendered by Gray Reed on behalf of the Debtor during the First Interim Period. Gray Reed respectfully submits that its time spent performing services for the Debtor was reasonable. Gray Reed's records of the time expended for rendition of professional services to the Debtor, as well as for rendition of services to all of Gray Reed's other clients, consist of handwritten or computer generated time entries by individual attorneys and paraprofessionals which have been placed in computer records maintained by Gray Reed. All professionals rendering services in the case have made a deliberate effort to avoid any unnecessary duplication of work and time expended. When more routine tasks were involved, Gray Reed utilized the talents of its less experienced attorneys or paraprofessionals to reduce the overall fees in this matter without sacrificing the quality of services rendered.

(b) Rates Charged for the Services. Applicant represents and would demonstrate that the hourly rates charged by Gray Reed for the services performed in these proceedings are competitive and customary for the degree of skill and expertise required in the performance of similar services

rendered by other experienced bankruptcy counsel and other professionals in matters of this type. The fees requested herein have been computed in accordance with Gray Reed's standard hourly rates for services rendered to non-insolvency clients. The blended hourly rate for professional services, including paraprofessionals, performed and billed by Gray Reed during the First Interim Period was \$437.21. Not including paraprofessionals, Gray Reed's blended hourly rate was \$458.43 for the First Interim Period.

(c) Benefit of the Services. Applicant respectfully submits that its services to date have been beneficial to the Debtor and its estate. As a result of Gray Reed's efforts, the Debtor has complied with its fiduciary and Bankruptcy Code-imposed duties, sold assets and otherwise paid down the FCC prepetition debt by approximately \$4.2 million, negotiated with the Committee and FCC towards a consensual resolution of these chapter 11 cases, and otherwise acted in a manner designed to achieve maximum value for all stakeholders. All of these efforts benefitted the estate at the time the services were rendered, and otherwise provided benefits that are tangible and material.

(d) Whether Services Were Performed in a Reasonable Amount of Time. Applicant represents and would demonstrate to this Court that the services were performed in a reasonable amount of time given the issues involved in this case and the timing of various matters in this case as a whole.

(e) Board Certification and/or Skill and Experience. Although only one of the Gray Reed attorneys working on this case is board certified, all attorneys who worked on this engagement are skilled and experienced practitioners.

(f) Whether Compensation Is Reasonable. Applicant represents and would demonstrate that the compensation sought in connection with the services rendered and expenses incurred in connection with this case during the First Interim Period is reasonable and is commensurate with those

rates charged by comparable, skilled practitioners at national and Texas-based law firms handling matters of this type. Each professional at Gray Reed who rendered services to the Debtor, the hourly billing rate for each individual, and the number of hours worked by the individuals during the First Application Period is set out in the Summary included in the front of this Application. Applicant's fees are based upon the normal hourly rates that Gray Reed charges non-insolvency clients. Taking into consideration the time and labor spent, the nature and extent of the representation and the nature of these proceedings, Gray Reed believes the allowance prayed for herein is reasonable, in light of the rates charged, the services performed, and the results achieved.

45. Furthermore, under the lodestar approach to fee calculation, which was first articulated by the Third Circuit in *Lindy Bros. Builders, Inc. v. American Radiator & Standard Sanitary Corp.*, 487 F.2d 161, 167 (3d Cir. 1973), and is now the settled method for calculating reasonable attorneys' fees in the federal courts, *see generally Perdue v. Kenny A. ex rel. Winn*, 559 U.S. 542 (2010); *Louisiana Power & Light Co. v. Kellstrom*, 50 F.3d 319, 323-24 (5th Cir. 1995), *cert. denied*, 516 U.S. 862 (1995); *Harman v. Lyphomed, Inc.*, 945 F.2d 969, 973-74 (7th Cir. 1991), the Court must make an initial objective determination of attorneys' fees by multiplying Gray Reed's reasonable hourly rate by the number of hours reasonably expended by Gray Reed in performing services. The lodestar amount may then be adjusted by taking the twelve (12) subjective factors set forth in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974), into consideration, even though the *Johnson* factors are generally subsumed within the lodestar calculation. *Pennsylvania v. Delaware Valley Citizen's Council for Clean Air*, 478 U.S. 546, 563-64 (1986).

46. The *Johnson* factors are: (1) the time and labor required; (2) the novelty and complexity of the issues presented; (3) the skill required to properly perform the legal services

rendered; (4) preclusion of other employment due to acceptance of the engagement; (5) customary fee charges for like work; (6) whether the fee is fixed or contingent; (7) time limitations imposed by circumstances or the client; (8) the amount in controversy and results obtained; (9) the experience, reputation and ability of counsel; (10) the undesirability of the case; (11) the nature and length of the professional relationship between counsel and client; and (12) fee awards in similar cases. *See Johnson*, 488 F.2d at 717-19. Most of the *Johnson* factors were previously discussed in this Application (*i.e.*, factors 1, 2, 3, 5, 6, 8 and 9). With respect to the remaining factors, Gray Reed states that: it was not precluded from accepting other employment (factor 4); the only time limitations imposed on Gray Reed were those imposed by Court order, the Local Rules, the Bankruptcy Rules, or that were otherwise existing at the time of Gray Reed's retention (factor 7); this representation was not undesirable (factor 10); as disclosed in its retention application, Gray Reed has represented the Debtor on general matters since 2012(factor 11); and the fees sought herein are modest in comparison to fees awarded in other chapter 11 cases of this size in the United States and in this District (factor 12). Given the limited resources in this case, and given that the Debtor is selling its assets and winding down its business, Gray Reed has made every effort to be prudent in its expenditure of time and money, to ensure that neither resources nor value was squandered. Gray Reed respectfully submits that, based upon the objective and subjective factors, the fees sought herein are reasonable.

47. A reasonable hourly rate is the prevailing market rate in the community for similar services rendered by attorneys of comparable skill, experience and reputation. *Blum v. Stenson*, 465 U.S. 886, 895 (1984). Applicant respectfully submits that its rates are generally comparable to those of other firms of a similar size with comparable bankruptcy practices and similar expertise that have a national presence, as well as presence in the Northern District of Illinois.

48. Gray Reed has done its best to minimize the number of professionals and paraprofessionals working on these cases to ensure that these cases proceeded smoothly, expeditiously and in a cost effective and efficient manner.

49. Accordingly, for all of the above reasons, Applicant respectfully submits that the fees sought in this Application are reasonable under section 330 of the Bankruptcy Code and applicable case law standards, and should be awarded in full.

SUMMARY OF EXPENSES

50. Applicant has incurred actual expenses on the Debtor's behalf in the amount of \$6,054.06 in providing professional services during the First Interim Period. Records for long distance telephone calls, telecopy charges, overnight delivery, other air freight and messenger services, postage, computer research and other expenses are those charged to Applicant and maintained by Applicant's accounting personnel. There is no minimum dollar charge with respect to any expense item and the charges set forth are those charged routinely to other clients. With respect to in-house photocopying charges, Gray Reed charges at a rate of 20¢ per page. These charges are intended to cover Applicant's costs for the services; Applicant does not believe that the charges constitute a profit. A determination of the actual expense per page for photocopying services is dependent on both the volume of copies or facsimiles and the total expense attributable to photocopying and facsimiles on an annual basis. Outside copy service charges, delivery expenses and computer research time are billed at actual rates charged to the Applicant. Postage is charged at the actual rate charged by the U.S. Postal Service or at any lesser rate charged to Gray Reed by Gray Reed's postal vendor(s). A breakdown of expenses, by category, is attached hereto as Exhibit "E."

NOTICE

51. Notice of this Application has been provided to the U.S. Trustee, the Committee and FCC, all in accordance with the Court's Compensation Procedures Order.

CONCLUSION

WHEREFORE, Gray Reed & McGraw, P.C. respectfully requests this Court enter an order (i) allowing Gray Reed interim compensation of \$205,928.00 for services rendered to the Debtor during the First Interim Period; (ii) allowing Gray Reed \$6,054.06 as reimbursement for expenses incurred during the First Interim Period; (iii) directing the Debtor to promptly pay \$41,185.60 to Gray Reed, representing the 20% fee holdback that remains unpaid pursuant to the Compensation Procedures Order; and (iv) granting such other and further relief as may be just and proper.

Respectfully submitted this 16th day of September, 2015.

GRAY REED & MCGRAW, P.C.

By: /s/ Jason S. Brookner
Jason S. Brookner
Texas Bar No. 24033684
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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)
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Debtor.)	
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CERTIFICATION OF JASON S. BROOKNER ACCOMPANYING FIRST INTERIM APPLICATION OF GRAY REED & MCGRAW, P.C. FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD APRIL 29, 2015 THROUGH JULY 31, 2015

Jason S. Brookner, a Shareholder of Gray Reed & McGraw, P.C. applicant herein (“Gray Reed”), pursuant the United States Trustee’s Guidelines for Reviewing Applications for Compensation (reprinted at 28 C.F.R. Part 58, Appendix A) (the “UST Guidelines”) and the Court’s Order Establishing Professional Interim Compensation Procedures [Docket No. 129] (the “Compensation Procedures Order”), hereby certifies as follows:

1. I have reviewed the First Interim Application (the “Application”) of Gray Reed & McGraw, P.C. (“Gray Reed”) for Allowance of Compensation and Reimbursement of Expenses, and to the best of my knowledge, information and belief, formed after reasonable inquiry, the fees and disbursements sought by Gray Reed in the Application are in conformity with the UST Guidelines, the Compensation Procedures Order and the local practice in this District.

2. The fees and disbursements sought by Gray Reed in the Application are not prohibited by the UST Guidelines, and are billed at rates and in accordance with the practices no less favorable than those customarily employed by Gray Reed and generally accepted by Gray Reed’s non-bankruptcy clients.

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

3. In providing a reimbursable service, Gray Reed does not make a profit on that service whether the service is performed by Gray Reed in-house or through a third party.

4. The Debtor's CRO, the Office of the United States Trustee, the Debtor's secured lender, and the Official Committee of Unsecured Creditors have been provided with a copy of this Application.

Respectfully submitted this 16th day of September, 2015.

GRAY REED & McGRAW, P.C.

By: /s/ Jason S. Brookner

Jason S. Brookner

Texas Bar No. 24033684

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mbishop@grayreed.com

COUNSEL TO THE DEBTOR

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 16th day of September, 2015, he caused a true and correct copy of the foregoing document to be served on the U.S. Trustee, counsel to the Committee and counsel to FCC, as well on the parties who have subscribed for notice via the Court's CM-ECF notification system.

/s/ Jason S. Brookner

Jason S. Brookner

The following is the list of **parties** who are currently on the list to receive email notice/service for this case.

- Jason S Brookner jbrookner@grayreed.com, dtrent@grayreed.com
- Erich S Buck ebuck@ag-ltd.com, lhope@ag-ltd.com
- William J. Choslovsky wchoslovsky@foxrothschild.com
- Jeffrey C Dan jdan@craneheyman.com, gbalderas@craneheyman.com; dwelch@craneheyman.com; jmunoz@craneheyman.com
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